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ARF Addiction Research Foundation
Fondation de la recherche sur la toxicomanie

Unemployment, Alcohol, and Drugs

- a contextual study -

Judith Groeneveld
Martin Shain
James Simon

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Toronto, 1990

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PREFACE

From time to time, waves of high unemployment wash through our society leaving in their wake a trail of damage and ruin that leaves permanent marks on the lives of hundreds upon thousands of people.

This report is an account of the damage caused by unemployment resulting from the last recession among certain families in one Ontario community.

The sad fact is that as we approach what looks like another economic downturn, the human suffering produced by the last one is still with us. Unemployment is truly a problem with a long tail that still lashes out long after the body of the beast has departed.

Our focus in this story is on the role of unemployment as an incubator of alcohol and drug problems. But we tell the story in the broader context of how joblessness strikes at the most basic living conditions and of how it erodes the spirit and dignity of those affected by it.

ACKNOWLEDGEMENTS

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A special vote of thanks goes to Lecia Hanycz who undauntedly processed this manuscript through its many incarnations.

CHAPTER 1: INTRODUCTION

The purpose of the study reported here was to gain a better understanding of how unemployment affects alcohol and drug use in the context of other health-related and economic outcomes.

Previous research has been directed toward all of these effects at one time or another, the bulk of it concentrating upon economic and health-related outcomes of unemployment (see References). The contribution of the present study is to consider all of these effects within a single research framework.

This is an exploratory undertaking. Although the results suggest important relationships between the economic, health, and alcohol/drug-use effects related to unemployment, we conclude not with definitive assertions but with a framework which will allow for more rigorous testing of hypotheses concerning these relationships. From the evidence at hand, however, there should be cause for concern that the economic, health, and addictions-related consequences of unemployment compound each other and that the social impact of job loss is correspondingly more pernicious. Hopefully, this perspective will be of some value to helping agencies and professionals who

encounter unemployed people in the course of their work in that it will assist them in thinking of their clients as multidimensional beings whose needs are rarely limited to one area such as finances, housing, health, or addictions. While the precise nature of the interactions between these areas may not be fully understood, there is enough evidence to warrant a more holistic view of the unemployed and to stimulate the development of more coordinated, comprehensive strategies for assisting them. This suggests the need not only for greater agency collaboration, but also for a broader view on the part of individual organizations and professionals who encounter the unemployed.

Taken as a whole, the results of this study provide further damning evidence of the insidious nature of unemployment and its consequences. They remind us - should we need a reminder - that productivity and efficiency at the plant level, so often touted as the reasons for layoffs and terminations, convert readily into burdens and inefficiencies at the social level.

CHAPTER 2: BACKGROUND AND PRESENTATION OF RESULTS

Background

The Unemployment Survey was conducted in the region of Peel, west of Metropolitan Toronto, and involved 205 unemployed clients from two of the local Help centres. Help centres were established after the 1982 recession. They were financed by the provincial government and managed by various local agencies and trade unions.

Help centres fulfilled a number of functions. They provided assistance for the unemployed population in resolving problems encountered when dealing with government bureaucracies, and also provided counselling services on job search, resume writing, and lifeskills. In some locations these centres also became meeting places for the unemployed.

The two Help centres involved in this study were located in different areas of Peel but they were both run by the same agency, which ran weekly seminars at both locations to teach lifeskills and effective job search techniques.

Sample

All 205 clients who attended seminars during a four-month period were asked to take part in the study. Of these, 191 (93.2%) agreed to participate and completed the Unemployment Questionnaire. The collected data were analysed according to seven topic areas. Each of these topic areas is discussed in a subsequent section of the report. Research methods and respondents' demographic characteristics are included in Appendixes 1 and 2.

Presentation of Results

Chapter 3, "The Effect of Unemployment on Alcohol Use," is an attempt to examine consumption changes resulting from job loss utilizing both the "availability" and the "integrative" perspectives.

Chapter 4, "Drug Use Prior to and During Unemployment," deals with the effect of unemployment on the use of various illicit and licit drugs, including coffee.

Chapter 5, "Tobacco Use Prior to and During Unemployment," includes prevalence rates of tobacco use, effects of unemployment on smoking habits, and the consequences of smoking policy changes at the workplace on the unemployed.

Chapter 6, "Health Insurance and Health Status During Unemployment," covers the effect of job loss on medical insurance coverage during unemployment and health problems developed during unemployment.

Chapter 7, "The Private World of the Unemployed," addresses changes associated with housing, time allocation, interpersonal relationships with family, and socialization patterns.

Chapter 8, "The Economic Impact of Unemployment," covers income changes following job loss and the various kinds of income subsidies used by the participants to survive financially.

Chapter 9, "Unemployment-Induced Changes," provides a general overview of the changes experienced by the participants in 11 life event areas and some of the factors governing these changes.

Chapter 10, "Conclusion," provides a general overview of the study findings and presents a theoretical model which attempts to explain the multi-faceted nature of unemployment-induced changes.

CHAPTER 3: THE EFFECT OF UNEMPLOYMENT ON ALCOHOL USE

Conceptual Context

The effect of unemployment on alcohol use patterns has been an area of longstanding debate among those working in the alcoholism field (see Giesbrecht, Markle, and Macdonald 1982 and Smart 1979 for reviews).

Those who promote the "availability perspective" tend to lean toward a macro economic interpretation of the relationship between alcohol use and unemployment. Proponents of this viewpoint argue that there is a direct and positive correlation between the level of alcohol consumption and disposable income. When disposable income is reduced due to unemployment or other reasons, the level of aggregate alcohol consumption decreases.

According to this theory, alcohol is viewed as a non-essential good and as such is assigned a low preference rating among the hierarchy of consumer goods and services. Consequently, when disposable income decreases, alcohol consumption is expected to decrease because there are goods and services such as food, clothing, shelter, and medical care which are perceived as preceding alcohol on the consumer's preference list of essential goods.

This macro economic theory therefore leads to the firm expectation of decreased alcohol consumption during unemployment. Hence, from the macro perspective, unemployment has at least one positive attribute, a decreased use of alcohol among those who lose their jobs.

The "integrative perspective" is promoted by practitioners and researchers with client-centred orientations. Observations by practitioners and researchers focusing on specific groups rather than the general population reveal increasing alcohol consumption patterns during unemployment.

This changed pattern is believed to result from changes in the unemployed's psychological state and/or socio-economic environment. In both cases the unemployed may use alcohol to cope with the new situation.

Specific factors which are often associated with increases in alcohol consumption are related to the stresses resulting from job loss. A number of factors can create or increase stress during the jobless period. Examples are: inability to find another job, inability to meet financial obligations, and a real or perceived change in social status. It is suggested that alcohol initially provides a feeling of relief from anguish and tension and that its use is therefore functional.

Alcohol consumption may replace other important, time-consuming, and emotionally satisfying activities pursued during employment which, after job loss, can no longer be continued. Some obvious examples of these activities are: going to work, associating with co-workers, playing on the company's sport teams, and pursuing hobbies such as travelling and skiing.

The tendency among integrationists is to view unemployment as a potentially damaging episode which may lead to higher alcohol consumption, particularly among those who have limited resources for coping with changes in their environment.

These apparently conflicting perspectives were examined in the context of the present data.

Alcohol consumption information was collected for two time periods: prior to and during unemployment. Although retrospective reporting is considered to be less accurate than reporting on current behavior, we believe that participants were able to give a reasonably accurate retrospective consumption estimate since the questions relevant to current and past consumption patterns were presented in sequence and the frequency of consumption, beverage preference, and amount consumed were presented as separate questions for both time periods.

In order to relate the analysis to both conceptual perspectives, the data were considered at both macro and micro levels. The macro analysis is concerned with the manipulation of aggregate alcohol intake data, while the focus of the micro analysis is the change in the consumption patterns of individuals.

Results of Macro Analysis

Close to 80% of the participants reported using alcohol at least once during the previous 12-month period (Table 3-1).

TABLE 3-1

PREVALENCE OF ALCOHOL USERS IN THE SAMPLE POPULATION

	Number	% in Category
Alcohol users	153	78.7
Non-users	37	21.3
Total	190	100.0

Alcohol Consumption Patterns at Time of Data Collection

Frequency of Consumption:

Approximately 15% of all respondents consumed alcohol less than once a month. Another 14% reported using it once a month,

and 9% between two and three times a month. While 23% reported using it between four and eight times monthly (once or twice a week), 13% used it more than twice a week but not daily. Daily drinkers constituted only 4% of the respondents (Table 3-2).

TABLE 3-2

FREQUENCY OF ALCOHOL CONSUMPTION

Frequency	% in Category
Never	21.3
1 - 11 times per year	14.9
1 time a month	14.4
2 - 3 times a month	9.2
1 - 2 times a week	23.0
3 - 6 times a week	13.2
Daily	4.0
Total	100.0

Quantity Used:

The usual quantity of alcohol consumed per drinking occasion varied between one and 26 drinks. Table 3-3 shows that a majority of the participants (59.2%) consumed four or fewer drinks per drinking occasion. Close to 29% drank between five and 10 drinks on each occasion. The heavy drinking category - 11 or more drinks per drinking occasion - included 11.6% of the respondents (Table 3-3).

TABLE 3-3

NUMBER OF DRINKS CONSUMED PER DRINKING OCCASION

Number of Drinks	% in Category
1	15.0
2 - 4	44.2
5 - 10	29.2
11 - 26	11.6
Total	100.0

Change in Aggregate Alcohol Consumption Patterns

Comparison of the participants' pre-unemployment drinking patterns with the drinking patterns they developed during unemployment indicated changes in both the frequency of alcohol use and the amount consumed on drinking occasions.

Change in Frequency:

A comparison of pre- and during-unemployment alcohol use patterns indicated two trends. The first affected the low-frequency categories. The size of the three categories representing least frequent alcohol use - one drinking occasion per month or less - increased. The change was particularly significant in the non-drinking category. The size of this group increased after job loss from 16.4% to 21.3% (a rate increase of 29.9% - Table 3-4).

A simultaneous change in the opposite direction took place in the high-frequency categories. Here the size of the categories decreased. The number of participants who consumed alcohol more than twice a month decreased considerably. The most dramatic decrease was observed in the daily user group. During unemployment the size of this group decreased by 54.5%.

Clearly, job loss was associated with an aggregate decrease in the frequency of alcohol consumption.

TABLE 3-4

FREQUENCY OF ALCOHOL CONSUMPTION

Frequency	% in Category		
	Unemployment	Pre-unemployment	Change in %*
Never	21.3	16.4	29.9
1-11 times a year	14.9	13.2	12.9
1 time a month	14.4	9.4	53.2
2-3 times a month	9.2	11.3	-18.6
1-2 times a week	23.0	25.9	-11.2
3-6 times a week	13.2	15.1	-12.6
Daily	4.0	8.8	-54.5
Total	100.0	100.0	n/a

* The proportional change in the size of the group relative to its pre-unemployment status.

Our figures for drinking frequency prior to unemployment show a population who appear to have consumed alcohol less often than Ontarians generally in the same year. We base this

observation upon a comparison of our own data with statistics gathered as part of the Gallup Ontario Omnibus Survey and reported by Smart and Adlaf (1984). This household survey involved 1051 adults at and above the age of 18.

Households for the survey were selected by a modified probability sampling method. In the selected households, the youngest male/female resident was interviewed with the aid of a 20-item questionnaire. The resulting data reported by Smart and Adlaf are reproduced in Table 3-5 with the comparable data obtained through the Unemployment Survey.

TABLE 3-5

FREQUENCY OF ALCOHOL CONSUMPTION:
SMART AND ADLAF SURVEY AND UNEMPLOYMENT SURVEY

Frequency	% in Category	
	Smart and Adlaf Survey	Unemployment Survey Pre-unemployment
Never	15.5	16.4
Less than 13 times a year	25.3	22.6
2 to 4 times a month	30.7	37.1
2 to 6 times a week	17.5	15.1
Daily	10.9	8.8

Change in Quantity Used:

The average number of drinks participants reportedly consumed per drinking occasion when unemployed in comparison to pre-unemployment also differed (Table 3-6). The twofold trend observed in Table 3-4 is also observed here: As with the frequency of consumption data, the size of the lower categories increased and that of the higher categories decreased. This indicates a general trend toward lower alcohol intake per drinking occasion.

The reduction in volume of consumption per occasion was not generally as spectacular as the reported reduction in the frequency of consumption. Nonetheless, substantial reductions in some categories were noted. For example, the size of the group whose members consumed only one drink per drinking occasion increased by 17% following job loss.

TABLE 3-6

NUMBER OF DRINKS CONSUMED PER DRINKING OCCASION

Number of Drinks	% in Category		
	Unemployment	Pre-unemployment	Change in %
1	15.0	12.8	17.2
2 - 4	44.2	40.2	9.9
5 - 10	29.2	31.2	-6.4
11 - 26	11.6	15.9	-26.6
Total	100.0	100.0	n/a

On the other hand, the size of the groups reporting consumption of more than five drinks per occasion decreased during unemployment. The most significant change took place among the very high consumption group - 11 or more drinks per drinking occasion. The relative size of this group decreased by 26.6%.

Change in the Average Annual Absolute Alcohol Consumption

The yearly absolute alcohol consumption for the participant group was calculated by multiplying the reported number of yearly drinking occasions by the amount of absolute alcohol consumed at each of the drinking occasions. The aggregate yearly alcohol consumption was estimated for both the employed and unemployed periods.

Aggregate yearly alcohol consumption was 1061 ounces prior to unemployment and 709 ounces during unemployment, a decrease of over 33% (Table 3-7).

TABLE 3-7

CHANGE IN YEARLY ABSOLUTE ALCOHOL CONSUMPTION

Average Absolute Alcohol Consumption	
Prior to unemployment	1061 oz/year
During unemployment	709 oz/year
Change in consumption level	352 oz/year
% change in consumption	33%

To further demonstrate the impact of job loss on the amount of alcohol used, participants were divided into three sub-groups on the basis of their aggregate yearly absolute alcohol intake: moderate, average, and heavy drinkers. Moderate drinkers included those participants consuming between 1 and 365 ounces of absolute alcohol per year, average drinkers were those consuming between 357 and 1200 ounces, and heavy drinkers were those consuming over 1200 ounces (Table 3-8).

TABLE 3-8

CHANGE IN LEVEL OF ABSOLUTE ALCOHOL CONSUMPTION

Drinking Category	% in Category	
	Pre-unemployment	During Unemployment
1 - 365 oz/year	56.6	62.8
366 - 1200 oz/year	19.5	20.4
1201+ oz/year	23.9	15.9
Total	100.0	99.1

It can be seen that the very heavy use of alcohol becomes less frequent during unemployment than it was prior to unemployment. Prior to job loss 23.9% of those using alcohol consumed over 1200 ounces per year. Following job loss only 15.9% remained in this category. This represents a rate decrease of over 33%.

There was a corresponding increase in the size of the moderate and average consumption groups.

Results of Micro Analysis

In our opinion, the most important question in the area of alcohol use among the jobless is: How does unemployment affect individual drinking patterns? Although this information is important for setting public policies and for designing treatment and other types of intervention modalities, attention has not been focused on the effects of unemployment on alcohol consumption changes at the individual level.

Change in Individual Alcohol Consumption Patterns

To identify changes at the individual level, pre and post alcohol consumption patterns were compared for each participant.

TABLE 3-9

EFFECT OF UNEMPLOYMENT ON INDIVIDUAL CONSUMPTION LEVELS

Change	% in Category
Increase	13.6
No change	53.1
Decrease	33.3

As Table 3-9 shows, one-third of the respondents decreased their alcohol consumption during unemployment. A majority (53.1%) maintained pre-unemployment drinking patterns, and over 13% consumed more alcohol during unemployment than before.

Magnitude of Change

Following job loss over 46% of the participants altered the amount of alcohol they consumed. Respondents who decreased consumption reported cutbacks that represent between 1 and 4698 ounces per year. The same non-uniform response pattern was observed among participants increasing consumption after job loss. A summary of the changes is presented in Table 3-10.

TABLE 3-10

CHANGES IN YEARLY ABSOLUTE ALCOHOL CONSUMPTION

FROM PRE- TO POST-UNEMPLOYMENT

Change in Consumption		% in Category
Decrease	4698 - 1001 oz	10.2
Decrease	1000 - 601 oz	3.4
Decrease	600 - 301 oz	4.8
Decrease	300 - 1 oz	14.9
No change		53.1
Increase	1 - 300 oz	6.1
Increase	301 - 600 oz	1.4
Increase	601 - 1000 oz	2.0
Increase	1001 - 6205 oz	4.1
Total		100.0

Effects of Economic and Other Factors on Alcohol Consumption Patterns

As noted earlier, a number of factors have been suggested which might affect alcohol consumption patterns during unemployment. These range from changes in disposable income to socio-cultural variables. We examined the relationship between a number of the suggested factors and changes in alcohol consumption following job loss.

Effects of Economic Factors

The suggested consequence of lower disposable income is lower alcohol consumption.

In our sample, the disposable income of all participants was reduced. Unemployment Insurance and welfare payments were their two main sources of income. For all participants, these payments were less than the wages they earned at their last job. However, the across-the-board change in income did not bring about a uniform change in alcohol consumption.

As pointed out earlier, a majority of the participants maintained their pre-unemployment drinking patterns. Even in cases where changes were reported, the pattern of alteration varied. Consequently, the notion that a decrease in disposable

income will bring about an across-the-board decrease in the amount of alcohol consumed was not supported.

Although a decrease in disposable income does not bring about a uniform alteration in drinking, it may affect some consumption patterns. This possibility raises the question of whether there are other factors which, in conjunction with reduced income, result in a change of alcohol intake at least for some people. One obvious candidate is the severity of economic deprivation.

The relationship between economic deprivation and change in alcohol consumption patterns was tested in three different ways, each based upon a different assessment of change in financial status. These were: the ability to maintain monthly payments such as rent or instalments; the change in indebtedness following job loss; and the level of economic deprivation as measured by a scale.

To accurately reflect the effect of economic changes on alcohol use, abstainers were excluded from the following three analyses. Participants were included in the abstainers category when the reported amount of alcohol consumed both during and 12 months prior to unemployment was zero.

Ability to Maintain Monthly Payments:

One of the first serious symptoms of economic difficulty is the inability to meet financial obligations. In our sample, close to 60% of the participants fell into this category. Respondents in this group did not have sufficient income to cover monthly payments such as mortgages, rents, or payments on loans or other types of debts.

One would expect that an economically depressed group, defined in relation to the inability to pay, would redirect finances from non-essential goods, including alcohol, to more pressing areas and, as a consequence, consumption of non-essential goods would decrease.

The data did not bear out this assumption. The expected relationship between financial difficulty and decreased alcohol consumption did not emerge. Although participants who decreased their alcohol consumption tended to be less able to meet their financial obligations than those who reported increased consumption, the majority of the participants who did not change their alcohol consumption at all also reported inability to pay their bills (Table 3-11).

TABLE 3-11

ABILITY TO KEEP UP PAYMENTS BY CHANGE IN ALCOHOL CONSUMPTION

Ability to Pay	Alcohol Use* Increase	No Change	Decrease	Total
Yes	60.0	32.4	37.5	39.3%
No	40.0	67.6	62.5	60.7%
	16.9	38.7*	44.5*	100.0%

CHI-SQUARE = 3.4357 DF=2 SIGNIFICANCE = 0.1795

* Size of alcohol use groups varies in Tables 3-11 through 3-17 depending on completion rate of questions used to determine their characteristics.

This finding indeed suggests the alternative hypothesis that many of those whose alcohol consumption did not change after job loss must have maintained this level of consumption at the expense of meeting other key financial obligations. In short, for many, financial embarrassment may not have been a powerful incentive to reduce alcohol consumption, and indeed alcohol may have come to represent an increasingly large drain upon disposable income. The results reported below tend to bear this out.

Increase in Indebtedness:

Close to 50% of the non-abstainer participants increased indebtedness as a result of unemployment.

As in the previous comparison, based on the availability perspective, we would expect that participants experiencing financial hardship to the point at which borrowing was necessary would eliminate the purchase of non-essential goods such as alcohol. Thus, a comparison between the economically strapped and the other participants in respect to alcohol use should show significant differences.

The data once again did not substantiate this hypothesis. The relationship between decrease in alcohol consumption and increase in indebtedness was not clearly demonstrable. While slightly more of the respondents who decreased alcohol consumption reported increases in indebtedness than those whose alcohol consumption either remained the same or increased following job loss, this result is probably due to chance (Table 3-12).

TABLE 3-12

INCREASE IN INDEBTEDNESS BY CHANGE IN ALCOHOL CONSUMPTION

Indebtedness	Alcohol Use			
	Increase	No Change	Decrease	Total
Increased	42.9	40.9	57.4	48.5%
Not increased	57.1	59.1	42.6	51.4%
	13.3	41.9	44.1	100.0%

CHI-SQUARE = 2.6993 DF=2 SIGNIFICANCE = 0.2593

The Economic Deprivation Scale:

The Economic Deprivation Scale used in this study was developed by Pearlin and Radabaugh (1976). The scale consists of three items which measure the day-to-day availability of food, shelter, and clothing. Respondents rate the availability of these items on a four-point range, where a low score indicates a very low level of economic deprivation and a high score indicates the opposite. The results of the analysis are shown in Table 3-13.

TABLE 3-13

ECONOMIC DEPRIVATION BY CHANGE IN ALCOHOL CONSUMPTION

Economic Deprivation	Alcohol Use: Increase	No Change	Decrease	Total
Low	26.3	30.0	8.7	22.2%
Medium	57.9	47.1	65.2	54.8%
High	15.8	22.9	26.1	23.0%
	14.1	51.9	34.1	100.0%

CHI-SQUARE = 8.2040 DF = 4 SIGNIFICANCE = 0.0862

Although there is a tendency for those whose alcohol use decreased to report a higher level of economic deprivation than those whose alcohol use remained the same or increased, this relationship only approaches statistical significance. Indeed, the remarkable finding here is that even when essential goods were hard to acquire, or were unavailable to our respondents, there was no significant tendency to decrease the use of alcohol.

This finding reflects our earlier observation made in connection with the inability to meet financial obligations: namely, that if available income decreases and alcohol consumption remains the same, it is tantamount to saying that a greater proportion of disposable income must have been allocated to the purchase of alcohol. That is, during the

period of unemployment studied here, alcohol for many became a greater "good" relative to other essential goods which had reportedly become unaffordable.

Otherwise put, the preference rating of alcohol increased for many relative to essential goods such as food, shelter, and clothing. For the relevant individuals, alcohol became a more valuable commodity, one upon which it was considered worthwhile to spend a larger rather than smaller proportion of disposable income despite the contrary demands of fulfilling basic needs and meeting basic financial obligations.

Thus, far from supporting a linear relationship between decreased income and decreased alcohol use, the data suggest an alternative hypothesis which needs further investigation through research with larger samples.

Effects of Other Factors on Alcohol Consumption Patterns

The results presented below suggest further that there are demographic and other factors which may interact with economic deprivation. However, the nature of such interactions cannot be determined by reference to the present data set, which is too small for the study of such complex effects.

Effect of Age on Changes in Consumption

In the current study, age was a very strong indicator of changes in alcohol consumption following layoff. As Table 3-14 shows, alcohol consumption changes were compared between three age categories.

Younger participants - under 31 years old - tended to increase their alcohol consumption more often than the others. While among the increased consumption group 72.2% were under 31 years of age, the same age category was represented by only 44.2% and 27.9% in the other two consumption groups.

TABLE 3-14

EFFECT OF AGE ON ALCOHOL CONSUMPTION CHANGE

Age Category	Alcohol Use Increase	No Change	Decrease	Total
16-30	72.2	42.7	27.9	41.9%
31-40	11.1	22.7	30.2	23.5%
40 +	16.7	34.7	41.9	34.6%
	13.2	55.1	31.6	100.0%

CHI-SQUARE = 10.3237 DF = 4 SIGNIFICANCE = 0.0353

Effect of Gender on Changes in Consumption

During unemployment changes in alcohol consumption were also affected by the participants' gender.

Consistently with other research findings our data indicated that considerably fewer female participants consumed alcohol than did their male counterparts. As Table 3-15 shows, 84.8% of the male but only 66.8% of the female participants reported in the alcohol users category.

TABLE 3-15

GENDER-RELATED ALCOHOL CONSUMPTION PATTERN

Alcohol Use	Male	Female	Total
Yes	84.8	66.8	78.7%
No	15.2	31.3	21.3%
	62.1	37.9	100.0%

CHI-SQUARE = 5.1635 DF=1 SIGNIFICANCE = 0.0231

In the Smart and Adlaf survey, the frequency of alcohol consumption also depended greatly on the respondent's gender. Female respondents reported infrequent consumption more often than did their male counterparts. For example, whereas only 10.5% of the male respondents consumed alcohol less than 12

times a year, almost 30% of the female respondents reported in this category.

A reverse pattern was observed in the frequent consumption category. Here 35% of the male respondents drank alcohol two or more times a week but only 13% of the female respondents did so. A comparable pattern was observed in the Unemployment Survey.

Male and female participants altered their alcohol consumption patterns following layoff in different ways. A significantly larger proportion of male participants changed their alcohol consumption level during unemployment (Table 3-16).

TABLE 3-16

EFFECT OF GENDER ON ALCOHOL CONSUMPTION CHANGE

Alcohol Use	Male	Female	Total
Increase	18.0	7.4	14.0%
No change	42.7	70.4	53.9%
Decrease	39.3	22.2	32.9%
	62.2	37.8	100.0%

CHI-SQUARE = 10.5190 DF=2 SIGNIFICANCE = 0.0052

It appears that females were more likely to maintain their pre-unemployment drinking practices than males, whereas males were more likely to either increase or decrease their level of consumption.

Other Influences on Changes in Consumption

The apparent effect of two other factors upon changes in alcohol consumption levels among the unemployed was observed.

Firstly, of the participants who were in the high consumption category before unemployment and who reduced their consumption during unemployment, 70% reported having been at some point involved in a drinking and driving incident. Strangely enough, the incident in some cases took place long before unemployment. Therefore, no clear explanation exists for the association given the data at hand.

Secondly, a somewhat similar association was observed between decreased post-employment drinking and participation in an alcoholism treatment program. A significantly larger proportion of those participants who had attended an alcoholism treatment program at some time prior to this unemployment period reported decreased alcohol consumption during unemployment than did those participants who had never attended an alcoholism treatment program. However, in a number of cases

this attendance was years before job loss.

In Chapter 6 some further relationships between changes in alcohol use and the incidence of health-related symptoms and conditions are considered (see Table 6-10). It appears that those who increased their drinking during unemployment were more likely to report a high number of such complaints than those who either did not change or decreased their consumption.

Summary of Findings

The data support the following conclusions with regard to the impact of unemployment upon drinking behavior in this sample.

1. Overall, aggregate consumption decreased in terms of both frequency and quantity.

2. The aggregate data conceal the fact that in some cases individual consumption increased.

3. Pre-unemployment levels of alcohol use were often sustained during the jobless period in spite of the fact that debts could not be paid and basics such as food, shelter, and clothing were perceived to be harder to afford. That is, the use of alcohol became relatively more important than other goods during unemployment for a fairly large group of participants.

4. Being young and being male were both associated with <u>increased</u> alcohol use during unemployment, a finding which suggests that this group is particularly prone to use larger portions of disposable income for the purchase of alcohol under conditions of joblessness.

Discussion

The observations reported here allow us to comment upon the "availability" and "integrative" perspectives which have guided previous research on the impact of unemployment on alcohol consumption.

Essentially, our data support an interpretation of alcohol use during unemployment which is based upon micro analysis: that is, looking at effects at an individual rather than an aggregate level. Micro analysis points toward differential effects of unemployment on alcohol use depending on numerous characteristics of users themselves.

This dependence upon characteristics of users rather than upon some presumed universal effect of market forces operating independently of individual traits suggests that the integrative perspective offers a more useful approach to the study of alcohol use during unemployment than the availability perspective. The availability hypothesis is, simply put, that

people will cut their coat according to their cloth. So during times of hardship, the provision of essential goods will be maintained at the expense of luxury goods and services. And clearly this is the case for some people. In our study, some participants did reduce their use of alcohol in response, at least partly, to perceived affordability relative to other goods. But others did not, and it is the nature of the factors which influence the difference between those who cut back and those who did not, all in the face of economic hardship, that invokes the integrative perspective as the more useful for practical purposes. This perspective calls us to account for differences in drinking responses to unemployment in terms of individual characteristics. In doing so, it may indeed invoke the availability hypothesis as providing a useful explanation of why <u>some</u> people reduce their consumption in the face of economic hardship and others do not. But in itself the availability perspective is incomplete. Of course, as noted already, there is a great need to elaborate a comprehensive model for the study of unemployment and alcohol use in the context of an integrative perspective.

The results at hand raise some doubt as to whether alcohol is perceived by many people as a luxury, particularly under the high stress conditions of unemployment. While we have no conclusive evidence that alcohol was used as a way of coping with stress, the circumstantial evidence for alcohol as an

anxiolytic substance appears quite strong. We do not hypothesize that anxiety reduction is the only function served by alcohol. But such a function would help to explain why alcohol became a greater good for many of our study participants when ranked against other necessities such as food, shelter, and clothing and when stacked against obligations to repay existing debts. If this is even partly correct, it points again to unemployment as a breeding ground for one of our most pernicious social problems, namely, alcohol abuse.

CHAPTER 4: DRUG USE PRIOR TO AND DURING UNEMPLOYMENT

Participants' drug use patterns prior to and during unemployment were examined. The substances considered were illicit drugs, prescription-type drugs, caffeine, and tobacco.

Tobacco use and the effects of unemployment on its consumption are reported in the following chapter. Here, we concentrate on the other substances.

Willingness to Disclose Drug Use Habits

We encountered some resistance to drug-use-related questions. Between 22% and 28% of the participants either crossed out the pages in the questionnaire containing the drug section or simply left these pages unanswered. One can speculate that respondents who crossed out the pages attempted to communicate that they were not drug users, but without a clear indication in this regard from the participants the response was interpreted as missing information.

In order to gain some perspective on whether there had been any serious under-reporting, we compared the Unemployment Survey data with a population survey conducted in Ontario at approximately the same time by Smart and Adlaf. This

comparison provided grounds for believing that the Unemployment Survey participants were not under-reporting their drug use (see Table 4-3 and text).

Prevalence Rates of Drug Use

Rates of use for five illicit drugs and four licit drug groups were studied. The illicit drugs were: marijuana, speed, cocaine, heroin, and LSD. The licit drug groups were tranquillizers, barbiturates, sleeping pills, and other licit drugs.

Although the licit drug groups listed in the questionnaire were prescription-type drugs, the survey did not make an attempt to determine whether these drugs had been prescribed by a physician or obtained through other means.

The majority of the participants who completed the drug section claimed not to have used either licit or illicit drugs. The reported prevalence rates of illicit use varied between 2.2% and 22.4% depending on the type of drug (Table 4-1).

TABLE 4-1

REPORTED PREVALENCE OF DRUG USE PRIOR TO AND DURING UNEMPLOYMENT

Type of Drug	% Using Drug		
	Prior	During	% Change
Marijuana	23.8	22.4	-5.8
Speed	8.1	8.9	10.0
Cocaine	5.9	7.4	25.4
Heroin	0.7	2.2	218.1
LSD	2.2	4.4	100.0
Tranquillizers	8.9	11.8	32.5
Barbiturates	2.2	3.7	68.1
Sleeping pills	6.6	3.7	-43.9
Other drugs	7.0	8.1	15.7

Marijuana was the most commonly used illicit drug. Close to 22% used it at least once during the current unemployment period. Speed was used by 8.9%, cocaine by 7.4%, heroin by 2.2%, and LSD by 4.4% of the respondents.

Tranquillizers were the most commonly used licit drugs, with 11.8% reporting in this category. Both barbiturates and sleeping pills were used by approximately 4% of the respondents.

Effect of Unemployment on Drug Use

Table 4-1 shows the sizes of the various drug-using groups prior to and during unemployment. It can be seen that the size of the drug-using groups increased during the unemployment

period for seven of the nine drugs considered. The change depended on the drug and ranged from 10% to 218%.

Change in Illicit Drug Use

The most significant increase was noted in the use of heroin. The size of the heroin-using group increased by 218% following job loss. Although the increase in heroin use appears to be large, it must be noted that the relative size of the heroin-using group is small in comparison to other groups.

In addition, more participants reported using speed, cocaine, and LSD during unemployment than when employed. The increases reported here ranged between 10% and 100%. LSD was used by twice as many participants during than prior to unemployment.

Marijuana, which was the most commonly used drug in both time periods, was used by somewhat fewer participants during than prior to unemployment (22.4% and 23.8% respectively).

Change in Licit Drug Use

Use of licit drugs also changed during unemployment. Barbiturate users as a group showed the largest increase (68%), followed by the tranquillizer-using group, which increased in size by 32.5% during unemployment. The use of "other" drugs also increased. In contrast, only half the number of participants who used sleeping pills prior to unemployment continued to use them after unemployment.

While these changes in drug use are important, the number of participants involved is small. Consequently, we have chosen not to present data on the covariates of such changes since we consider them to be unreliable.

Change in Multi-Drug Use

The majority of drug users (60%) used only one type of drug; the others were multi-drug users. The reported number of different drugs used ranged between one and nine. This situation did not change in any significant way after job loss (Table 4-2).

TABLE 4-2

MULTI-DRUG USE PRIOR TO AND DURING UNEMPLOYMENT

Number of Drugs Used	% in Category	
	Prior	During
None	74.7	73.7
1	15.3	15.8
2	4.7	3.7
3	2.1	1.6
4	1.6	1.1
5	1.1	2.1
6	0.5	0.5
> 6	0.0	1.6

General Population Study Comparison

A study conducted by Smart and Adlaf at approximately the same time as the Unemployment Survey estimated drug use among a population-representative sample of 1051 adults over 18 years of age residing in Ontario during the survey year.

The results of this population study are summarized in Table 4-3. An estimated 11.2% of the study participants used marijuana at least once during the 12 months preceding the survey. Over 3% used cocaine, 9.3% used tranquillizers, 7.2% used sleeping pills, and 2.5% used some other type of sedative.

TABLE 4-3

REPORTED DRUG USE BY PARTICIPANTS IN THE UNEMPLOYMENT SURVEY AND THE GENERAL POPULATION STUDY

Type of Drug	% Using Drug		
	Unemployment Survey		General Pop. Study
	Prior	During	
Marijuana	23.8	22.4	11.2
Speed	8.1	8.9	*
Cocaine	5.9	7.4	3.3
Heroin	0.7	2.2	*
LSD	2.2	4.4	*
Tranquillizers	8.9	11.8	9.3
Barbiturates	2.2	3.7	2.5
Sleeping pills	6.6	3.7	7.2
Other drugs	7.0	8.1	*

Reported illicit and licit drug use rates were compared between the general population study and the Unemployment Survey for both pre- and during-unemployment periods. The comparison indicated higher illicit drug use among the Unemployment Survey participants in both periods and somewhat higher licit drug use among the general population study participants.

The rate of use of licit drugs among the Unemployment Survey participants was also higher than that of the participants of the general population study with the exception of sleeping pills; fewer Unemployment Survey participants used sleeping pills prior to unemployment, and considerably fewer used them during unemployment.

Coffee Consumption

The majority of the Unemployment Survey participants (77.0%) consumed coffee daily at the time of the study. Almost 44% of them drank three or fewer cups daily. Over 41% consumed between four and seven cups, and nearly 15% consumed more than seven cups (Table 4-4).

TABLE 4-4

NUMBER OF CUPS OF COFFEE CONSUMED PER DAY DURING UNEMPLOYMENT

Number of Cups	% in Category
3 or less	43.8
4 to 7	41.6
7 to 10	10.2
10 +	4.4

Coffee consumption patterns changed for approximately 40% of participants. Nearly 15% of the participants reduced daily coffee consumption during unemployment and just under 25% increased consumption (Table 4-5).

TABLE 4-5

CHANGE IN COFFEE CONSUMPTION PATTERNS DURING UNEMPLOYMENT

Type of Change	% in Category
Increased consumption	24.7
Same as before	60.7
Decreased consumption	14.7

Summary

Although the absolute number of drug users in this sample was not large, there is nothing in these results to reassure us. With the exception of marijuana and sleeping pill use, increases were noted in all drug use categories considered in this study. Unemployment would therefore appear to be a time for the development and consolidation of undesirable drug use practices.

CHAPTER 5: TOBACCO USE PRIOR TO AND DURING UNEMPLOYMENT

Changing Social Attitudes

The health consequences of tobacco smoking are well documented. Smokers run higher risks of developing cancer, heart disease, and a number of other illnesses. The health consequences of tobacco use tended to be seen, until recently, as a largely private matter. However, escalation of health care costs due to the consequences of tobacco use and increasing evidence that secondhand smoke has harmful effects on non-smokers have promoted a public awareness of the need to contain or eliminate the use of cigarettes and other tobacco products in public places, particularly the workplace.

Governments have joined the fight against smoking through the implementation of public health policies. In Ontario, during the last three years, growing numbers of employers have also begun to introduce no-smoking policies.

This changing scenario is quite important for the unemployed who smoke, and is especially so for the long-term unemployed, because smoking habits maintained or developed during unemployment might limit re-employment opportunities. For example, we can assume a senario where an employer who is

promoting a smoke free environment has a vacant position. If there are two equally qualified people applying for this job, very likely the non-smoker will get the job. Furthermore, once re-hired, the worker's ability to fit into a changing work environment may also be affected. Therefore, from this viewpoint, an understanding of tobacco use among the unemployed and the effect of unemployment on smoking behavior is very important.

This understanding is also important for public policy development. Since tobacco use has become a labor relations issue and in the near future could influence hiring practices, it is essential that appropriate policies be developed and education and treatment programs be accessible for those among the unemployed who smoke.

The first step toward developing public policy is the generation of a reliable data base to determine prevalence rates and the effect of unemployment on prevalence rates. At the moment, such data are still in short supply.

Tobacco Use Patterns

The limited data generated through this study indicated that the prevalence rate of tobacco smoking is quite high among the unemployed. Close to 56% of the participants were smokers

when the survey was conducted (Table 5-1).

TABLE 5-1

PREVALENCE OF TOBACCO SMOKING

	% in Category
Smokers	57.0
Non-smokers	43.0
Total	100.0

Of the smokers, 80% smoked cigarettes, 15% smoked pipes, and the remainder smoked cigars.

TABLE 5-2

NUMBER OF CIGARETTES SMOKED PER DAY

Number	% in Category
1 - 10	13.1
11 - 20	19.5
21 - 40	20.0
40 +	3.2
Total	55.8

Of those who smoked cigarettes, close to 13% smoked less than 10 cigarettes daily. Just under 20% smoked between 10 and 20, and the others smoked more than a pack a day (Table 5-2).

Among the 20% of smokers who smoked either a pipe or cigars the reported frequency of smoking was relatively low. Pipe smokers smoked between one and three pipes daily. Only two of the participants smoked cigars, and these reported daily use of two and 15 cigars respectively.

Variables Affecting Cigarette Smoking

Effect of Age on Smoking

Age influenced the participants' smoking habits. Only 27.5% of the group 16-30 years old were non- or light smokers (10 or less cigarettes per day) in marked contrast to the older age groups where over 50% were non- or light smokers.

Very heavy smokers were over-represented in both the 16-30 and 31-40 age groups. Approximately 30% of the participants in these age categories smoked over two packs of cigarettes daily, as compared to 14.6% among the oldest age group (Table 5-3).

TABLE 5-3

AGE AND NUMBER OF CIGARETTES SMOKED

Number of Cigarettes Smoked Daily	Age Category 16-30	31-40	40+	Total
0 - 10	27.5	51.7	53.7	46.7%
11 - 20	22.0	4.5	7.3	9.4%
21 - 40	20.0	16.9	24.4	19.4%
40+	30.0	27.0	14.6	24.7%
	23.5	52.4	24.5	100.0%

CHI-SQUARE = 16.9843 DF = 6 SIGNIFICANCE = 0.0093

Effect of Marital Status on Smoking

Marital status also had an influence on the participants' smoking behavior. Separated or divorced participants tended to be heavier smokers than either single or married participants (Table 5-4).

TABLE 5-4

MARITAL STATUS AND NUMBER OF CIGARETTES SMOKED

Number of Cigarettes Smoked Daily	Marital Status Single	Married	Sep./ Div.	Total
0 - 10	38.7	56.6	39.3	46.4%
11 - 20	21.0	6.6	4.7	11.0%
21 - 40	22.6	13.2	30.2	20.4%
40 +	17.7	23.7	25.6	22.1%
	34.3	42.0	23.8	100.0%

CHI-SQUARE = 16.3935 DF = 6 SIGNIFICANCE = 0.0118

Effect of Age upon Entering the Labor Force on Smoking

Age upon entering the labor force also affected the current pattern of cigarette smoking. Participants who joined the labor force between the ages of 22 and 30 tended to smoke less than those participants who started work later or earlier in life (Table 5-5).

TABLE 5-5

AGE ENTERING LABOR FORCE AND NUMBER OF CIGARETTES SMOKED

Number of Cigarettes Smoked Daily	Age Entering Labor Force 10-21	22-30	30+	Total
0 - 10	45.0	61.1	47.8	48.6%
11 - 20	6.7	27.8	21.7	10.3%
21 - 40	21.3	5.6	17.4	19.3%
40 +	26.8	5.6	13.0	23.2%
	78.4	9.5	12.1	100.0%

CHI-SQUARE = 17.2434 DF = 6 SIGNIFICANCE = 0.0084

Effect of UCI Scores on Cigarette Smoking

The number of cigarettes smoked during unemployment was closely related to the number of life event changes experienced following job loss (see Chapter 9). That is, the greater the number of changes, the greater the likelihood that respondents would be heavy smokers (Table 5-6).

TABLE 5-6

NUMBER OF CIGARETTES SMOKED BY
UNEMPLOYMENT CHANGE INDEX SCORE

Number of Cigarettes Smoked Daily	UCI Score Low	Medium	High	Total
0 - 10	55.6	47.6	27.8	46.8%
11 - 20	8.3	13.4	8.3	10.5%
21 - 40	23.6	18.3	13.9	19.5%
40 +	12.5	20.7	50.0	23.2%
	37.2	43.2	18.9	100.0%

CHI-SQUARE = 21.3213 DF = 6 SIGNIFICANCE = 0.0016

Effect of Alcohol Use on Smoking

Tobacco and alcohol use were closely related. Participants who did not drink also tended to be non- or light smokers. On the other hand, respondents who were heavy drinkers tended also to be heavy smokers (Table 5-7).

TABLE 5-7

ALCOHOL USE AND SMOKING DURING UNEMPLOYMENT

Number of Cigarettes Smoked Daily	Alcohol Use: Absolute Ounces/Year 0	1-365	365-780	780+	Total
0 - 10	68.4	50.6	29.2	15.0	47.2%
11 - 20	7.9	11.6	8.3	10.0	10.1%
21 - 40	10.5	19.5	20.8	25.0	18.2%
40 +	13.2	18.2	41.7	50.0	24.5%
	23.9	48.4	15.1	12.6	100.0%

CHI-SQUARE = 23.6498 DF = 9 SIGNIFICANCE = 0.0049

Effect of Unemployment on Smoking

Following unemployment, a change in cigarette smoking was reported by 54.4%. While 16% of the smokers reduced the number of cigarettes smoked, just over 38% smoked more during unemployment than before (Table 5-8).

TABLE 5-8

CHANGE IN SMOKING PATTERNS DURING UNEMPLOYMENT

Type of Change	% in Category
Increased smoking	38.4
Same as before	45.6
Decreased smoking	16.0

Unemployment had practically no effect on pipe and cigar smoking patterns.

Summary

An increase in the use of tobacco is a further ominous sign of unemployment's adverse impact. The facts that increases in tobacco use are related to stress in the form of changes brought on by unemployment and that alcohol use is tied to smoking offer further evidence of a pernicious chain of interdependent events set into motion by job loss. Such trends are clearly of social and economic importance since they influence the chances of re-employment and, in all likelihood, the quality of job performance once re-hired, not to mention the health and wellbeing of the individuals involved.

CHAPTER 6: HEALTH INSURANCE AND HEALTH STATUS DURING UNEMPLOYMENT

Other studies have considered the relationship between job loss and deterioration in health status from a variety of perspectives, but Canadian studies are rare. In this study we had the opportunity to examine health effects in the context of the other social and economic sequelae of unemployment described elsewhere in this report.

Since, in Ontario, the availability of health care for most people depends upon the status of their insurance coverage, we inquired about changes in this coverage as a background to consideration of changes in health status itself.

Health Insurance

Health care for unemployed people is a real concern, especially since in Ontario health care for employees is provided by many employers through cost-shared but employer-administered health care plans. The most extensively used insurance package is the Ontario Health Insurance Plan (OHIP), although during the last decade increasingly large numbers of Canadian employers have been also providing other types of supplementary or additional insurance, such as dental and drug plans.

Unfortunately, employer-offered health insurance is not portable. When the employee separates from the company, coverage ceases. In order to maintain OHIP coverage, the unemployed must pay their own OHIP premiums* or be covered by their spouse's plan unless they become welfare recipients, in which case coverage is provided automatically.

Effect of Unemployment on Health Insurance Coverage

Our data indicated that during unemployment, health care insurance was maintained by most of the participants. Over 89% of the respondents were covered by OHIP. Approximately 60% of the participants were welfare recipients at the time of the study and consequently were entitled to free health care insurance. Other participants were covered under an employed spouse's plan or paid their OHIP directly. Close to 9% who had OHIP let their coverage lapse when they lost their job. Just over 1% of the participants had never been covered by OHIP (Table 6-1).

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* This was the case at the time of the survey. As of 1990 payment of OHIP premiums by individuals will not be necessary.

TABLE 6-1

CURRENT STATE OF OHIP COVERAGE

	% in Category
Currently covered	89.4
Coverage lapsed	8.6
Never been covered	1.1
Missing	1.1

Special insurance such as hospital, dental, and drug plans covered 40.9% of the respondents. Over 53% lost this extra coverage and 3.7% had never had it (Table 6-2).

TABLE 6-2

CURRENT STATE OF MEDICAL/DENTAL INSURANCE - EXCLUDING OHIP

Have insurance	40.9%
Lost insurance	53.2%
Never had insurance	3.7%
Missing	3.2%

Health Status

Participants assessed their own health in two different ways. First, they rated their current health from excellent to poor on a five-level scale (Table 6-3). Second, they completed a Health Symptom and Condition Inventory consisting of 10 items (Table 6-5).

Rating of Current Health

Table 6-3 shows the results of participants' health status assessment. The majority reported their health as being excellent or good. Just under 12% experienced some minor problems. Only 3.2% reported poor health.

TABLE 6-3

REPORTED HEALTH STATUS DURING UNEMPLOYMENT

Excellent	34.6%
Good	41.0%
Fair	9.5%
Minor problems	11.6%
Poor	3.2%
Missing	1.1%

Health Symptoms and Condition Inventory

The 10-item Health Symptom and Condition Inventory (HSCI) covered emotional and physical health-related symptoms or conditions such as being happy, feeling nervous or tense, suffering from stomach problems or headaches, or having unusual sleeping patterns. The full list appears in Table 6-5.

Only 6.8% of the participants had no complaints in any of these areas. Another 25% were affected in at least one area, and close to 45% were affected in between three and six areas.

Just over 12% reported more than six concerns (Table 6-4).

TABLE 6-4

REPORTED HEALTH SYMPTOMS AND CONDITIONS

Number of Problems	% in Category
0	6.8
1 - 2	31.5
3 - 6	45.4
7 - 10	12.1

The most common complaints were tension (57.1%), feelings of unhappiness (56.7%), and nervousness (46.8%). These were followed by headaches (38.6%), sleeplessness (35.5%), and overweight (32.1%). Other symptoms or conditions such as sleeping too much, underweight, and lethargy were reported also but caused problems for fewer of the participants (Table 6-5).

TABLE 6-5

CURRENT HEALTH SYMPTOM AND CONDITION INVENTORY

Symptom or Condition	% in Category
Tension	57.1
Unhappiness	56.5
Nervousness	46.8
Headaches	38.6
Sleeplessness	35.5
Overweight	32.1
Stomach problems	19.6
Underweight	19.5
Lethargy	18.2
Excess sleepiness	15.0

From the number of symptoms and conditions reported, it would appear that people who consider themselves to be in good or even excellent health may often do so in spite of having several concerns about their health in specific areas. This is probably not an inconsistency. Many of us try to present a bold face to the world and will consider ourselves to be in good health despite the annoyance of symptoms and conditions that bother us on a day-to-day basis. Yet appearances apart, the number of symptoms and conditions reported is reflected in the general distress levels reported by our participants, as shown later.

Change Reflected in HSCI Scores and Factors Affecting These Changes

Participants tended to attribute an increase in these symptoms and conditions to the experience of job loss and its sequelae. As Table 6-6 shows, a great majority of the participants felt that their health problems were aggravated by unemployment.

TABLE 6-6

PERCEPTIONS OF INCREASED HEALTH SYMPTOMS AND CONDITIONS SINCE JOB LOSS

Symptom or Condition	% in Category
Tension	59.6
Unhappiness	66.9
Nervousness	46.1
Headaches	39.5
Sleeplessness	42.7
Overweight	24.2
Stomach problems	18.4
Underweight	16.4
Lethargy	21.5
Excess sleepiness	15.9

Effect of Age on HSCI Scores

Younger respondents tended to report health symptoms and conditions more often than their older counterparts. Just under 72% of those under 31 had complaints in more than four areas compared with 34.1% of those over 40 (Table 6-7).

TABLE 6-7

AGE AND HSCI SCORE

	Age			
HSCI Score	Under 31	31 to 40	Over 40	Total
0	2.5	11.2	24.4	12.4%
1 - 3	25.0	38.2	41.5	35.9%
4 - 6	57.6	33.7	31.7	38.8%
7 - 10	16.0	16.9	2.4	12.9%
	23.5	52.4	24.1	100.0%

CHI SQUARE = 19.2589 DF = 6 SIGNIFICANCE = 0.0037

Effect of Mastery on HSCI Scores

The extensiveness of health complaints was also associated with feelings of mastery. Pearlin's "Mastery" Scale was used to measure perceived control over one's life (Pearlin and Schooler 1978). The scale consists of seven statements with a four-level response option producing scores between 7 and 28. Participants with higher mastery tended to experience fewer symptoms or conditions than those with lower mastery. Only 23% of the participants who scored in the highest third on the mastery scale had four or more complaints compared with double that proportion among participants scoring in the lowest third (Table 6-8).

TABLE 6-8

MASTERY AND HSCI SCORE

HSCI Score	Mastery Score			
	Low	Medium	High	Total
0	15.1	2.7	7.7	6.7%
1 - 3	37.7	40.5	69.2	43.7%
4 - 6	35.8	42.3	19.2	37.4%
7 - 10	11.3	14.4	3.8	12.1%
	27.9	58.4	13.7	100.0%

CHI-SQUARE = 17.6845 DF = 6 SIGNIFICANCE = 0.0071

Effect of Coffee Use on HSCI Scores

Participants who increased their coffee consumption following job loss scored higher on the HSCI than those who decreased or maintained their level of consumption (Table 6-9).

TABLE 6-9

COFFEE USE AND HSCI SCORE

HSCI Score	Change in Coffee Use			
	Increase	No Change	Decrease	Total
0	8.1	13.2	18.2	12.7%
1 - 3	18.9	44.0	36.4	36.7%
4 - 6	40.9	35.2	36.4	36.7%
7 - 10	32.4	7.7	9.1	14.0%
	24.7	60.7	14.7	100.0%

CHI-SQUARE = 17.8045 DF = 6 SIGNIFICANCE = 0.0067

Effect of Alcohol Use On HSCI Scores

Similarly, changes in alcohol consumption were associated with HSCI scores. Participants who increased their alcohol consumption during unemployment had more complaints than participants who decreased or maintained their pre-unemployment alcohol intake (Table 6-10).

TABLE 6-10

ALCOHOL CONSUMPTION AND HSCI SCORE

HSCI Score	Change In Alcohol Use			
	Increase	No Change	Decrease	Total
0	0.0	6.8	0.0	3.5%
1 - 3	35.7	35.6	46.9	39.4%
4 - 6	30.0	46.6	38.8	41.5%
7 - 10	35.0	11.0	14.3	15.2%
	14.1	51.4	34.5	99.6%

CHI-SQUARE = 12.8988 DF = 6 SIGNIFICANCE = 0.0447

Effect of Cigarette Smoking on HSCI Scores

Participants who scored high on the HSCI also tended to smoke more cigarettes during unemployment than prior to unemployment (Table 6-11).

TABLE 6-11

CIGARETTE SMOKING AND HSCI SCORE

HSCI Score	Change in Smoking			
	Increase	No Change	Decrease	Total
0	6.3	21.1	15.0	14.4%
1 - 3	25.0	45.6	40.0	36.8%
4 - 6	45.8	28.1	40.0	36.8%
7 - 10	22.9	5.3	5.0	12.0%
	38.4	45.6	16.0	100.0%

CHI-SQUARE = 17.0859 DF = 6 SIGNIFICANCE = 0.0090

Effect of Economic Deprivation on HSCI Scores

Pearlin and Radabaugh's Economic Deprivation Scale (1976) was used to determine participants' financial status. As Table 6-12 shows, participants in financial difficulty had more health complaints than their financially better-off counterparts (Table 6-12).

TABLE 6-12

ECONOMIC DEPRIVATION AND HSCI SCORE

HSCI Score	Economic Deprivation			
	Low	Medium	High	Total
0	19.0	5.4	10.3	9.8%
1 - 3	47.6	32.6	38.5	37.6%
4 - 6	31.0	46.7	25.6	38.2%
7 - 10	2.4	15.2	25.6	14.5%
	24.3	53.2	22.5	100.0%

CHI-SQUARE = 18.78705 DF = 6 SIGNIFICANCE = 0.0045

Effect of Anxiety on HSCI Scores

The Spielberger Trait Anxiety Inventory was used to measure anxiety. The scale consists of 20 items and measures the general tendency to react to threatening situations in an anxious manner (Spielberger, Gorsuch, and Lushene 1970). The rating of one's own health and Trait Anxiety were very clearly interrelated. There was a powerful tendency among respondents who rated their health as being excellent or good to also score lower on the anxiety scale (Table 6-13).

TABLE 6-13

ANXIETY AND REPORTED HEALTH

Reported Health	Anxiety Level			
	Low	Medium	High	Total
Excellent	47.4	39.7	16.0	35.3%
Good	43.9	42.9	36.0	41.2%
Fair	3.5	6.3	18.0	8.8%
Minor problems	5.3	9.5	22.0	11.8%
Poor	0.0	1.6	8.0	2.9%
	33.5	37.1	29.4	100.0%

CHI-SQUARE = 23.0067 DF = 8 SIGNIFICANCE = 0.0004

Summary

The majority of Unemployment Survey participants were covered by health care insurance through OHIP, but many lost their supplementary health care benefits, which are normally provided by the employer.

Despite the overall rating of their health as good or even better, many participants had a number of specific complaints concerning their wellbeing which had increased since losing their jobs. The frequency of these complaints and the fact that they were related to a diminished sense of mastery, greater economic deprivation, and increases in alcohol, tobacco, and coffee consumption suggest that reports of health status may have been somewhat embellished.

The reasons for this cannot be determined by the present study. We might speculate that general questions about health elicit more positive responses than symptom- or condition-specific questions. Or it could be that despite several specific complaints people genuinely feel that their health is still good.

Alternatively, there may be some degree of denial among those who, in the face of adversity, insist that their health is good. Cultural beliefs and attitudes may, in an unknown number of cases, have contributed to this denial, since among certain groups it is an acknowledgment of failure or weakness to admit to poor health. It is unclear whether such an explanation would account for the fact that older participants in this study tended to report fewer complaints about their health.

Unquestionably, among those who did report only fair or otherwise impaired health, anxiety was more common, but the cause-effect process linking these phenomena is unclear. A similar question surrounds the relationship between the frequency of health symptoms and conditions and reported increases in alcohol, tobacco, and coffee use.

Conceivably, the increase in health complaints may be due to increases in the use of substances, but alternatively the

use of alcohol, tobacco, and coffee could be a response to perceptions of diminished wellbeing. A third alternative might be that there is a reciprocal relationship between health symptoms and conditions and the use of substances.

For purposes of subsequent multivariate research, we might hypothesize complex interdependencies between health, the use of substances, anxiety, mastery, and economic deprivation. This possibility is addressed further in the Conclusion (Chapter 10).

CHAPTER 7: THE PRIVATE WORLD OF THE UNEMPLOYED

The stereotypical image of the most important change associated with unemployment is one of economic deprivation. This image is so culturally ingrained that the bulk of social assistance provided for the unemployed is delivered within this context.

While economic instability is the number one threat of unemployment, success in the battle for financial survival revolves around effective functioning in the private world of the unemployed and their families. Unfortunately for many, their private lives change in concert with external and financial factors. The devastating results of these changes are indicated by the data collected from the Unemployment Survey participants with respect to housing, time allocation, family relationships, and socialization.

Impact of Unemployment on Housing

Shortage of Affordable Housing

It has been commonly stated that for housing to be considered affordable it should not consume more than 30% of gross household income. Unemployment upsets the ratio between

housing cost and income. During longer unemployment periods, moving to more affordable accommodation is one of the more painful solutions, but often the only one possible, to the problem of balancing the budget. Unfortunately, in Ontario low-cost accommodation has become increasingly difficult to find. This is particularly the case for low-cost rental accommodation.

A number of factors contributed to the development of this rental situation. Population growth was one. The relatively high interest rates of the early 1980s made house purchases difficult for lower-income earners. And at the same time, rent control slowed the development of new rental units. Consequently, in a number of Ontario cities, and particularly in Metropolitan Toronto, low-cost rental units are almost impossible to obtain.

When low-cost rental units become available, the list of applicants is long. Furthermore, eligibility for the units requires demonstrable financial stability and income deemed sufficient to meet the rental obligation. Financial stability is usually linked to employment or an alternative steady and secure income source such as annuity payments. Clearly, a majority of the unemployed cannot qualify.

For the unemployed the shortage or inaccessibility of low-cost rental accommodation causes considerable problems. While

a few years ago it might have been possible to adjust rental expenses to current income by moving to more suitable housing, this option is no longer so readily available. Therefore, mandatory accommodation changes resulting from decreased disposable income can mean considerable concern and stress to those living in Canadian urban centres.

Type of Dwelling Units Occupied at the Time of the Survey

The housing situation of the Unemployment Survey participants was mixed in terms of the type and ownership of housing and also in terms of the need to find financially more suitable accommodation.

At the time of the survey, participants lived in various types of accommodation. Over one-third lived in a house. Close to 46% lived in apartments. Another 12% shared accommodation with others (Table 7-1).

TABLE 7-1

TYPE OF ACCOMMODATION

Type	% in Category
House	37.4
Apartment	45.8
Shared	11.6
Others	2.6
Missing	2.6

A majority of the survey participants lived in rented accommodation. Slightly more than 15% owned their dwelling unit, most often a house rather than a condominium apartment or townhouse (Table 7-2).

TABLE 7-2

STATUS OF DWELLING UNIT OCCUPANCY

	% in Category
Owner	15.3
Renter	79.5
Missing	5.2

Effect of Job Loss on Need for and Types of Accommodation

Data collected from survey participants clearly reflected their need to find income-suited accommodation during unemployment and the problems this caused for them.

The need to change accommodation as a result of unemployment was reported by 67.1% of the participants. Of these, approximately 38% had already changed residence when they were surveyed and 28.7% were planning a change in the near future (Table 7-3).

The need to reduce rent-related expenditure was the most common reason given for changing accommodation by the respondents who had already moved. Cost reduction was achieved

in a number of ways. Some managed to find cheaper accommodation. Others were not so lucky and had to share accommodation with friends or relatives or move back to their parents' house. A few were evicted because they could not afford the rent and at the time of the survey were living in temporary accommodation. In some cases this accommodation was a shelter.

TABLE 7-3

ACCOMMODATION CHANGE DURING UNEMPLOYMENT

Change	% in Category
Already moved	38.4
Planning to move	28.7
Stayed in home	32.5

Participants planning accommodation changes were most noticeably affected by the housing issue. The level of this group's anxiety clearly surpassed that of the other groups. A comparison of Spielberger Trait Anxiety Scale scores between the group that had already moved or were not planning an accommodation change and the group planning an accommodation change showed statistically significant differences. Among the group planning an accommodation change, 45.8% showed a high anxiety level. This level of anxiety was reported by only 23.5% of the respondents not planning an accommodation change (Table 7-4).

TABLE 7-4

EFFECT OF PLANNED ACCOMMODATION CHANGE ON ANXIETY LEVELS

Planning Change	Trait Anxiety Score Low	Average	High	Total
Yes	18.8	35.4	45.8	28.7%
No	37.8	39.7	23.5	71.2%
	32.3	37.7	29.9	100.0%

A change to less expensive housing has obvious psychological and social ramifications. It represents a reversal of the upward mobility which so many people hope for, and it is a visible sign to the world that their circumstances have been reduced. The loss of status and sense of personal failure which must often accompany an enforced move to cheaper accommodation are bound to exacerbate the distress brought on by unemployment.

Impact of Unemployment on Time Allocation

Probably the most immediate consequence of job loss is the change in the time which is allocated to various activities. During employment approximately 10 of the 16 waking hours (60%) are allocated to work. Therefore, the time available for non-work-related activities is always in short supply.

This situation changes radically with job loss. Time which once was scarce becomes abundant. However, the financial means for the full use of leisure time simultaneously diminish. Job loss also diminishes workplace-related activities such as socialization with colleagues or involvement in the company's sports teams or credit union.

Unemployment-Induced Changes in Time Allocation

In order to understand how the extra time created by job loss was used, and the effect this change had on the individual, we asked our participants to name the dominant activity with which they replaced work-related activities and with what effect.

For the majority (77%) of participants, job-search-related activities filled a large segment of those hours which prior to unemployment were allocated to work.

TABLE 7-5

ACTIVITIES REPLACING WORK

Activities	% in Category
Job search	77.6
Housework	7.1
Child care	1.2
Hobby	8.6
Volunteer work	2.9
Exercise	1.7
Other	0.9

If one considers looking for a new job a work-related activity, then for a majority of the participants work-related activities remained a dominant focus of their daily activity and occupied a considerable segment of their daily routine.

The consequence of this unchanged job-related focus is twofold. During favorable labor market conditions it enhances the chances of getting a new job. It therefore has a positive final return. However, when market conditions are unfavorable, the likelihood of getting a job is not very promising. In this situation an exclusively job-oriented focus may have negative long-term psychological consequences.

Close to 23% of the respondents used the time previously allocated to work to pursue activities distinctly different in focus from paid work or getting a job. Activities in this area varied greatly and reflected the diverse needs and interests of the participants, ranging from looking after the family to

hobbies, exercise, and volunteer work (Table 7-5).

Although all of the participants reported involvement in new activities to occupy at least some of the time freed by job loss, a great majority of them found these new activities unfulfilling and described their lives as being characterized by boredom (Table 7-6).

TABLE 7-6

PARTICIPANTS' REPORT ON BOREDOM SINCE UNEMPLOYMENT

	% in Category
"I am bored"	62.5
"I am not bored"	25.8
Missing	11.7

It seems that the changes in time allocation created by job loss very often leave the unemployed stranded in the sense that they have excess time on their hands but insufficient emotional, social, or financial resources with which to fill it.

Impact of Unemployment on Personal Relationships

The effect of job loss upon interpersonal relationships has been examined from a variety of perspectives. In the aggregate, the results of these studies tell us little more than that relationships can improve or deteriorate after job

loss depending on a number of factors. Among these are the quality of the relationship prior to unemployment and the severity of the trials posed by the experience of unemployment.

In the Unemployment Survey, information was collected about participants' perceptions of the impact of unemployment on their marital relationships. First we asked the participants to rate their present relationships with their spouses. This was followed with a second question requesting the participants to state whether their spousal relationships improved, did not change, or deteriorated following job loss.

Changes in Relationships with Spouse and Children

The majority (67.5%) of the participants who were married or lived in common-law situations rated their current marital relationship as good. Over 18% felt that the relationship was indifferent and 13.8% judged it to be bad (Table 7-7).

TABLE 7-7

RELATIONSHIP WITH SPOUSE

Relationship with Spouse	% in Category
Good	67.5
Indifferent	18.8
Bad	13.8
Total	100.0

The perceived effect of unemployment on the marital relationship varied. Close to 53% of the participants reported a change in their marital relationship following job loss: 16% felt the change had been for the better, but nearly 37% said it was for the worse (Table 7-8).

TABLE 7-8

EFFECT OF UNEMPLOYMENT
ON RELATIONSHIP WITH SPOUSE

Change in Relationship	% in Category
Improved	16.5
Stayed same	46.8
Deteriorated	36.7
Total	100.0

Variability was much less evident in the perceived quality of personal relationships between the participants and their children. The participants' relationships with their children were assessed in a manner similar to that with regard to the marital relationship. Participants rated their current relationships and assessed employment-induced changes. In the majority (88.3%) of cases, the parent-child relationship was believed to be good. Very few respondents perceived it as being indifferent or bad (Table 7-9).

TABLE 7-9

RELATIONSHIP WITH CHILDREN

Relationship with Children	% in Category
Good	88.3
Indifferent	10.6
Bad	1.1
Total	100.0

It seems that parent-child relationships are less sensitive to changes caused by unemployment than are spousal relationships. Only 25% of the participants felt that their relationships with their children were affected by their current unemployment. Approximately 14% said they got along better with their children than they did before unemployment and 10.9% reported that things had become worse (Table 7-10).

TABLE 7-10

EFFECT OF UNEMPLOYMENT ON RELATIONSHIP WITH CHILDREN

Change in Relationship	% in Category
Improved	14.1
Same	75.0
Deteriorated	10.9
Total	100.0

To some extent our results seem to support previous findings. In a great number of cases family relationships changed during unemployment. The majority of spousal relationships were affected. The change in some cases was positive but in many cases unemployment was a stressor with which the marriage could not cope and the relationship deteriorated. It seems that parent-child relationships are less sensitive to changes caused by unemployment. Nevertheless, even in this area 25% of the participants reported changes.

Impact of Unemployment on Social Relationships

It is undisputed that in one way or another unemployment affects all those who experience it. Some believe that the magnitude of this impact can be moderated through social support mechanisms in that those who receive support from family, friends, or their community fare better than their non-supported counterparts. It therefore seems essential for the unemployed to maintain social contact with those who can provide support, such as friends and extended family.

A certain level of change in social interaction after job loss is inevitable. For many in the workforce at least part of their social activity involves co-workers.

Job loss naturally interrupts workplace-related socialization patterns for a number of reasons. The once common interests of work and work-related issues are no longer shared by the unemployed and their still employed co-workers. Former co-workers might prefer not to maintain contact with laid-off colleagues because of their embarrassment or feelings of guilt about having survived the layoff. Some after-work activities may also be financially impossible for the jobless. These changes result in a more or less natural break in the interaction pattern between former co-workers and the unemployed.

Changes in Socialization Patterns During Unemployment

The question remaining, however, is to what degree socialization patterns with friends and extended family change during unemployment. We presented this issue to our participants via a number of separate questions. The first was the level of current social interaction, which was found to vary greatly.

Before

Over 16% of the participants were involved in daily social contact, and 25% socialized one to three times a week. For others, social interaction was less frequent. Close to 30% saw their friends or their extended family less than twice a month. Over 12% were truly isolated, rarely if ever having social

contact with either friends or extended family.

To determine how participants assessed their current socialization patterns in comparison to those followed when employed, they were asked to indicate whether they perceived a socialization change and if so in what way. The majority (68.4%) of the participants reported that their socialization patterns were altered during unemployment (Table 7-11).

TABLE 7-11

CHANGE IN SOCIALIZATION PATTERN

Change Reported	% in Category
Yes	68.4
No	27.9
Missing	3.7

The majority of participants who reported changes in social interaction patterns reduced the frequency of social interaction following job loss. This was quite obvious with respect to friends. Close to 64% saw their friends less often following unemployment than before. This result is not surprising. As pointed out before, unemployment interrupts work-related socialization patterns, which often constitute the basis of social life (Table 7-12).

TABLE 7-12

EFFECT OF UNEMPLOYMENT ON SOCIAL CONTACT WITH FRIENDS

Frequency of Contact	% in Category
Same as before	30.5
Less often	64.2
Missing	5.3

Effect of Unemployment on Contact with Extended Family

It is important to note that change did not always mean less frequent socialization. The extra free time resulting from unemployment could provide some participants with the opportunity to see people more often. The change in interaction patterns with extended family and in-laws provides a good example of the mixed nature of the impact on socialization (Tables 7-13 and 7-14).

Over half the participants changed the frequency of their socializing with extended families. Of those who changed, 19.8% saw them more often and 33.1% saw them less often during unemployment (Table 7-13).

TABLE 7-13

EFFECT OF UNEMPLOYMENT ON SOCIAL CONTACT WITH EXTENDED FAMILY

Frequency of Contact	% in Category
More frequent	19.8
Same as before	47.1
Less frequent	33.1

Changes in interaction with in-laws (where applicable) were also positive and negative. Approximately 7% of the participants increased and 21.4% decreased the frequency of interaction with their in-laws during unemployment (Table 7-14).

TABLE 7-14

EFFECT OF UNEMPLOYMENT ON SOCIAL CONTACT WITH IN-LAWS

Frequency of Contact	% in Category
More frequent	7.1
Same as before	31.8
Less frequent	21.4
Not applicable	39.6

Participants employed by the same firm for over 20 years were the hardest hit by job loss in terms of the resulting social isolation. Participants in this category reported the highest levels of change in their socialization patterns.

Again, this finding is not unexpected. Dependence on work associates for social support and socialization increases over long periods of time.

Summary

Information gained through the survey clearly points to major changes in social interaction during unemployment. In many cases, job loss interrupted existing socialization patterns and forced the unemployed into increased social isolation. Nevertheless, the extra free time resulting from unemployment may have provided a few with the opportunity to see friends and family more often.

During unemployment the participants' day-to-day lives underwent seemingly endless changes. The most immediate and hardest to cope with were changes in accommodation. A painful but often inevitable change of residence in order to meet new budget constraints affected over 67% of the participants.

Another unemployment-sensitive area was time allocation. Time normally dedicated to work was liberated after job loss, but it left the unemployed financially unable to make good use of it and without sufficient opportunities for meaningful socialization.

Socialization opportunities almost inevitably decrease with job loss. This decrease is partially the result of the geographically mobile nature of our society, where co-workers often become the focal group of social activities. Consequently, separation from the one often results in loss of the other.

Domestic relationships were also affected by job loss. Over 62% of the participants reported changes in their interpersonal relationships with immediate family members. In the majority of cases the change affected the family in a negative way. Especially sensitive to the effects of unemployment was the marital relationship. Isolation from the extended family was also reported.

CHAPTER 8: THE ECONOMIC IMPACT OF UNEMPLOYMENT

Being unemployed meant a reduction in income for all participants. The degree of decrease in income depended on the participants' pre-unemployment wage and the availability of income supplements during unemployment. Pre-unemployment wage income ranged between $6,000 and $95,000 (Table 8-1), the average being close to $20,000 per year. The estimated average drop in the participants' annual income during unemployment was over $12,000.

TABLE 8-1

PARTICIPANT'S INCOME PRIOR TO UNEMPLOYMENT

Income Categories	% in Category
0 - $10,000	25.3
$10,001 - $16,000	33.7
$16,000 +	31.6
Missing	9.5

Participants coped with their reduced income in a number of different ways depending mainly on pre-unemployment economic status and family situation. The alternative methods used by participants to ensure at least some degree of financial stability for themselves and their families included securing social assistance, debt financing, liquidating assets, and depending on income generated by other family members (Table 8-2).

TABLE 8-2

REPORTED INCOME SOURCES

Type of Income	% in Category
Social Assistance	
Welfare	64.4
Unemployment Insurance	25.9
Insurance	
Canada Pension Plan	1.8
Workers' Compensation	2.4
Private pension fund	3.0
Private Sources	
Alimony	2.4
Child support	5.9
Spouse's income	15.8
Children's income	3.0
Room and board income	2.8

Social Assistance for the Unemployed

Social service benefits provided the main income source enabling participants to survive financially, with over 90% receiving either Unemployment Insurance benefits or General Welfare payments.

Unemployment Insurance Benefits

All members of the Canadian labor force who worked for at least the last six consecutive weeks and contributed to the Unemployment Insurance Fund are entitled to benefits under the scheme. Entitlement is governed by pre-unemployment income

level and the length of time claimants were engaged in the workforce prior to the current unemployment. Unemployment Insurance benefits at the time of the survey ranged between $100 and $230 a month depending on the claimant's income at his/her last job. Although the length of time for which the UI benefit is available to claimants depends on the length of previous employment, it cannot exceed 52 weeks.

Among the study participants, over 25% received Unemployment Insurance. While receiving UI helped the participants meet their financial obligations, it also caused various levels of distress and anxiety for many. During informal discussions at a job club in Peel, where the Unemployed Survey data were collected, numerous complaints were voiced. Among the most common were the inefficiency and dehumanizing nature of the bureaucratic system used in administering the UI. Some examples are given below:

* With respect to inefficiency, lengthy waits for the system to process claims caused the most concern. Claim processing delays occurred often, and in some cases the claimant had to wait up to two months for the first UI cheque to arrive. It is supposed to arrive within two weeks of filing the claim.

* The job placement system was not much more efficient. It was not uncommon to wait two hours for a job placement interview with the UI counsellor, just to discover that the

job had already been filled, yet notice of this fact had not been posted.

* Career counselling is reportedly just as inefficient as the rest of the system. It was felt that counsellors were unable to suggest career alternatives. Therefore, only those knowing exactly what they wanted could benefit from the system. Since the purpose of the service was to help to find alternative career paths, few could indeed benefit. The participants were also discouraged from entering occupations where the retraining cost was high even if retraining would have been of value to them.

* On the dehumanizing side of the process the participants cited various issues. Most frequent was the job search requirement and the humiliating treatment by the staff and/or the system.

* Those who had experienced lengthy periods of unemployment stated that they came very much to resent the job-search and reporting duties which were imposed on them. At times, having exhausted every possible job lead, they came to view this requirement almost as a form of daily punishment that was inconsistent with the reality of massive unemployment.

* Some participants said that they were made to feel "like criminals trying to cheat the system." It is interesting to note that some of the terminology used in the UI system is also used in the criminal justice system. For example "repeater" is commonly used to identify a repeat criminal offender. It is

also used in the UI system to identify claimants who had applied previously for benefits. In the justice system the term "warrant" refers to the document issued for a criminal's arrest. In the UI system the cheque issued to a claimant is called a warrant. Missing, uncashed cheques are referred to as "outstanding warrants." This rather unfortunate terminology leaves much to be desired.

It must be emphasized that the information supplied by the interviewees was received as personal opinion. It may therefore represent only the viewpoint of the sample and not of the general unemployed population.

General Welfare Assistance

Welfare is an alternative income source for unemployed Canadians. Those who do not qualify for UI or lose their eligibility for UI can apply for welfare benefits. To qualify for welfare benefits applicants must show that they do not have the financial means to survive and that they are trying to obtain employment.

At the time of the survey, a single employable person on General Welfare Assistance received a maximum of $256 per month plus a monthly shelter allowance of $90. This sum was somewhat higher for claimants with dependants. For example, a single

mother with two children living in non-subsidized housing received a maximum payment through General Welfare Assistance of $598 per month plus a housing subsidy. Even with all possible supplements welfare payments provided an income which was much below the recognized national poverty line.

For the majority of survey participants welfare was the most important income source. Over 64% received it. All welfare recipients reported this as their sole income source besides debt financing and/or the liquidation of assets.

Debt Financing

It has already been indicated that income from UI and especially from General Welfare Assistance was far below the income level participants were accustomed to when working. Some adjusted their living standards to the new income level from choice or necessity. Others turned to income subsidies. One of the means to do this was through the use of debt financing.

Indebtedness increased during unemployment. Prior to the current unemployment period, 44.2% of the participants were in debt. This rate increased to 64.2% during the jobless period. In other words, close to 20% more of the participants owed money during unemployment than prior to it.

Not only did participants who were debt free prior to unemployment go into debt, but close to 30% of those participants who already owed money increased their borrowing and thereby aggravated their financially unstable positions.

Change in Lenders During Unemployment

Lending sources included banks, mortgage companies, and other financial institutions as well as private sources such as family members and friends (Table 8-3). The change in lending sources prior to and during unemployment is quite striking. Prior to unemployment 73.1% of the loans were provided by traditional lending institutions such as banks and finance companies and 26.9% of the loans were borrowed from family and friends.

TABLE 8-3

SOURCES OF DEBT FINANCING
PRIOR TO AND DURING UNEMPLOYMENT

Lending Source	% in Category Prior	During
Lending institutions such as banks and mortgage and finance companies	73.1	58.2
Private sources	26.9	41.8

During unemployment the traditional lending sources decreased in relative importance as means of debt financing. Table 8-3 indicates that fewer participants owed money to mortgage companies, banks, and finance companies than before job loss. At the same time the number of non-institutional lending sources, such as family and friends, increased from 26.9% to 41.8%.

One factor contributing to the decrease in the number of loans held by lending institutions following job loss was participants' liquidation of debt-financed assets such as real estate and automobiles. Hence, the elimination of related loans. As well, traditional lending institutions are less willing to bear the risks related to jobless debtors and therefore either withdraw from lending to them or reduce their credit lines. The only available alternative for the unemployed who require debt financing to survive is to obtain funds from non-institutional lending sources such as family. The above scenario can be quite damaging to the borrower in terms of both access to loans and perception of self-worth.

Managing Finances During Unemployment

Borrowing, the unfortunate but relatively often used short-term solution to overcome an inability to meet current financial obligations, can, and more frequently than not does,

escalate long-term financial difficulties. Increased indebtedness translates into higher payments. These in turn require further borrowing, perpetuating a vicious circle of systematically increasing debt financing.

As was the case for a great number of the study participants, decreased income during unemployment can begin this vicious circle. It was pointed out earlier that 30% of the participants reporting indebtedness prior to their current unemployment and 20% of those who were previously debt free borrowed money after job loss. At the same time the majority of those increasing their debts could not even meet their current obligations. Therefore, in a way unemployment ushered these men and women into the self-perpetuating and devastating cycle of borrowing and refinancing.

Factors Affecting Financial Management

Length of Unemployment and Financial Management:

The factor which seems to stand out most in connection with money management during unemployment is the relatively low interdependence between depletion of accumulated savings, increase in indebtedness, and the length of unemployment. Intuition suggests that the longer the period of unemployment the greater the possibility for financial resource depletion.

In this study this did not seem to be the case. For example, the depletion of savings accumulated prior to unemployment was not significantly different from the statistical point of view between the short- and long-term unemployed (Table 8-4).

TABLE 8-4

RELATIONSHIP BETWEEN LENGTH OF UNEMPLOYMENT AND DECREASE IN SAVINGS

Decrease in Savings	Length of Unemployment in Weeks					
	Up to 12	13-27	28-52	53-104	104+	Total
Yes	26.5	30.0	41.2	38.5	44.1	34.9%
No	73.5	70.0	58.8	61.5	55.9	65.1%
	33.6	13.7	11.6	17.8	23.3	100.0%

CHI-SQUARE = 3.4316 DF = 4 SIGNIFICANCE = 0.4883

Even less significant is the interaction between increase in indebtedness and length of unemployment. In this relationship, as in the one described above, the change in indebtedness was not significantly different between respondents with short- and long-term unemployment histories (see Table 8-5).

TABLE 8-5

RELATIONSHIP BETWEEN LENGTH OF UNEMPLOYMENT AND INCREASE IN INDEBTEDNESS

Increase in Indebtedness	Length of Unemployment in Weeks Up to 12	13-27	28-52	53-104	104+	Total
Yes	39.9	37.5	33.3	48.5	34.0	38.8%
No	60.7	62.5	66.7	51.5	66.0	61.2%
	31.5	13.5	10.1	51.5	66.0	100.0%

CHI-SQUARE = 2.00126 DF = 4 SIGNIFICANCE = 0.7355

Taken together, perhaps what we are seeing is an adjustment to deprivation as the period of unemployment extends, with only a slow depletion of savings not yet reflected by substitution through loans and other new indebtedness. Another possibility is that we are missing trends which might be better discerned through longitudinal study techniques. However, we were able to distinguish certain characteristics of those contracting further debts and those not so doing.

Effect of Age on Financial Management:

Age was one of these characteristics. Participants under 40 tended to use debt financing much more readily than did those over 40. Among the under-40 group, debt financing was a means of surviving economic hardship for approximately 50%

of the participants. Only 15% of the over-40 group used this alternative (Table 8-6).

TABLE 8-6

RELATIONSHIP BETWEEN AGE AND INCREASE IN INDEBTEDNESS

Increase in Indebtedness	Age Categories			
	16-30	31-40	41+	Total
Yes	41.1	51.6	15.0	40.9%
No	52.3	49.4	85.0	59.1%
	22.0	52.2	25.2	100.0%

CHI SQUARE = 14.9305 DF = 2 SIGNIFICANCE = 0.0006

Why the over-40 group behaved in a more prudent financial manner is difficult to deduce. One can speculate that because of their relatively shorter future stay in the workforce, older participants are forced to take a longer-term view with respect to money management to ensure that current unemployment-induced economic difficulties will not translate into long-term financial disaster when they are faced with retirement. Alternatively, or additionally, older people may simply have more experience in money management.

Effect of Education on Financial Management:

Education was another indicator of the type of money management adopted. The higher the participant's education level, the more often debt financing was used. Participants with college or university degrees tended to increase their debts much more frequently than did respondents in other education categories. Among those participants without post-secondary education, only 29.7% increased debt in contrast to over 50% among those with post-secondary education (Table 8-7).

TABLE 8-7

RELATIONSHIP BETWEEN EDUCATION AND INCREASE IN INDEBTEDNESS

Increase in Indebtedness	Education Level: No Post-sec.	Coll.	Univ.	Total
Yes	29.7	59.0	52.4	38.8%
No	70.3	41.0	47.6	61.2%
	66.3	21.9	11.0	100.0%

CHI SQUARE = 12.4704 DF = 2 SIGNIFICANCE = 0.0020

Effect of Gender on Financial Management:

Gender also played a role in the way participants handled their post-job-loss finances. Women showed more restraint with respect to debt financing. Significantly fewer women in comparison to men increased their indebtedness during unemployment. It was not possible to determine whether this increased financial security resulted from a more prudent attitude among women or less access to conventional and non-conventional lenders (Table 8-8).

TABLE 8-8

RELATIONSHIP BETWEEN GENDER AND INCREASE IN INDEBTEDNESS

Increase in Indebtedness	Male	Female	Total
Yes	45.9	28.1	39.3%
No	54.1	71.9	60.7%
	63.0	37.0	100.0%

CHI-SQUARE = 4.6054 DF = 2 SIGNIFICANCE = 0.0319

Effect of Economic Deprivation on Financial Management:

A strong predictor of debt financing was economic deprivation. Participants with the means to maintain adequate shelter, food, and clothing for themselves and their families

borrowed money much less frequently than did participants who had difficulty providing these necessities (Table 8-9).

TABLE 8-9

RELATIONSHIP BETWEEN ECONOMIC DEPRIVATION AND INCREASE IN INDEBTEDNESS

Increase in Indebtedness	Pearlin's Economic Deprivation Scores			
	Low	Med	High	Total
Yes	23.1	48.2	41.7	40.5%
No	76.9	51.8	58.3	59.5%
	24.7	52.5	22.8	100.0%

CHI-SQUARE = 6.9712 DF = 2 SIGNIFICANCE = 0.0306

No differences were found between males and females in terms of economic deprivation, which is remarkable in light of the fact that prior to unemployment women in this sample earned considerably less than men (Table 8-10).

Table 8-10

ANNUAL INCOME FROM LAST JOB BY GENDER

Wage Category	Male	Female	Total
Less than $10,000	17.0	50.0	28.9%
$10,001 to $20,000	74.5	48.3	65.1%
$20,001 and over	8.5	1.7	6.0%
	63.9	36.1	100.0%

CHI-SQUARE = 21.4481 DF = 2 SIGNIFICANCE = 0.0000

These differences in income were not explained by variations in job histories. That is, women and men in this sample were comparable in terms of age on entering the labor force, number of employers since 1974, number of years in last job, and number of layoffs since 1974.

Mechanism of Debt Financing:

Debt financing can be viewed from two distinct viewpoints. From one angle, it can be argued that incurring debt is a choice the individual makes based upon his/her current socio-economic condition and confidence level with respect to future financial opportunities. From another angle, the ability to borrow often depends upon other people's perceptions of the borrower's future financial potential. In other words, borrowing depends upon the willingness of lenders to make funds available.

The results of this study suggest that the participants' debt financing behaviors were guided by both factors. Younger, better-educated male participants tended to increase their indebtedness more frequently than the other participants. They expressed more confidence when asked about their future job opportunities than did the other participants. They are also in the lower risk group from the lenders' point of view.

Effect of Life Event Changes on Financial Management:

Another interesting phenomenon occurring in parallel with increased debt financing was an increase in the level of change in various life event areas. Life event changes are described in Chapter 9. Table 8-11 shows the relationship between borrowing and the level of change participants experienced since being unemployed. The relationship between the two factors is highly interdependent. Increasing numbers of life event changes are associated with an increasing tendency to borrow funds. Only one out of every 12 participants borrowed money in the low change category. This proportion increased to eight out of every 12 participants for the high change group (Table 8-11).

TABLE 8-11

RELATIONSHIP BETWEEN NUMBER OF LIFE EVENT CHANGES AND INDEBTEDNESS

Increase in Indebtedness	Number of Life Event Changes			
	Low	Med	High	Total
Yes	16.9	46.2	62.9	38.8%
No	83.1	53.8	37.1	61.2%
	36.5	43.8	19.7	100.0%

CHI-SQUARE = 23.4186 DF = 2 SIGNIFICANCE = 0.0000

It will be a task for future research to examine whether financial stability is a cornerstone of the ability to cope with changes during unemployment, or whether this ability itself is a prerequisite to effective financial management.

Liquidation of Assets

Asset Position Prior to Unemployment

The extent of financial hardship suffered by the unemployed during the jobless period depended upon a number of factors. The accumulation of pre-unemployment assets was one. Those participants with liquefiable assets managed better than did those without. In order to understand the change in

participants' financial status, we asked them to provide pre- and post-unemployment asset inventories.

The inventory included savings, basic goods, and luxury items. Basic goods included items which are most commonly owned by Canadians - automobiles, television sets, washers, and dryers. The list of luxury items included vacation property, boats, and dishwashers.

TABLE 8-12

REPORTED PRE- AND POST-LAYOFF ASSET POSITIONS

Number of Assets	% in Category Pre	Post	Change* in %
0	22.1	27.4	+24.0
1	25.1	30.5	+21.5
2	18.4	14.7	-20.1
3	10.5	8.9	-15.2
4	13.3	9.5	-28.6
5	8.9	8.	- 5.6
6	0.5	0.5	0
7	0.5	0.0	-100.0

* The proportional change in the size of the group relative to its pre-unemployment status.

The participants' pre-unemployment asset position varied. Approximately one out of four reported a zero asset position. In other words, they owned none of the nine items listed on the asset inventory. Over 25% of the respondents owned one of the

listed assets before job loss and 18% owned two. Close to 35% of the participants owned four or more assets before unemployment.

Change in Asset Position

The participants' asset positions changed during unemployment. As column 3 on Table 8-12 shows, there was an overall decrease in asset holdings. A majority of the participants who reported holding any of the listed assets prior to job loss liquidated at least some of these items during unemployment.

During unemployment the size of the participant groups who reported holding zero or only one of the listed assets increased by proportions of 24% and 21% respectively. Corresponding decreases were observed in the size of those groups who, prior to job loss, had two or more of the assets listed in the inventory.

There was also a variation in the type of assets participants owned prior to and during unemployment. Close to 44% of the respondents reported having savings prior to unemployment. A majority owned basic goods - television, car, washer, and dryer. Luxury items were owned by very few of the respondents. A dishwasher was the most commonly owned luxury

item (13.7% - Table 8-13).

TABLE 8-13

REPORTED PRE- AND POST-LAYOFF ASSET POSITIONS

List of Assets	% in Category Pre	Post	Change* in %
Savings	43.9	20.8	-52.6
Car	58.1	43.5	-25.1
Television	74.7	72.2	- 3.3
Washing machine	38.6	31.5	-18.4
Dryer	31.7	26.2	-17.4
Vacation property	1.9	1.2	-36.8
Dishwasher	13.7	12.8	-12.4
Boat	3.1	2.5	-19.4

* The proportional change in the size of the group relative to its pre-unemployment status.

A comparison of pre-unemployment and unemployment asset positions indicated a decrease in all types of assets - savings, basic goods, and luxury items. The most significant decrease took place in savings. Over 52% of the participants who had had savings prior to unemployment reported losing them during unemployment. The unemployment inventories of both durable and luxury items were also lower than they were prior to unemployment.

Among basic goods, the automobile was lost most frequently during unemployment. Of the 100 participants who had owned a car while employed, 26 had to sell it after job loss. Among luxury items, the loss of vacation property was the most severe effect, although only one person in the sample was forced to sell.

Income from Other Family Members

Family income also included wages earned by family members such as the unemployed person's spouse and/or children.

Approximately one-third of the married participants had a spouse who was earning income. In the majority of cases, the spouse's employment was not precipitated by the current unemployment status of the participant. However, in approximately 20% of cases, the working spouse joined the labor force because of the participant's unemployment.

Summary

The financial picture of the unemployed that emerges from the Unemployment Survey is very discouraging. A majority of the participants lived on incomes far below the poverty line. Over 70% had problems providing at least some of the essentials such as food, clothing, and shelter for themselves and their

families. Unemployment not only eroded existing living standards but also endangered the future economic status of the participants.

Future economic status was threatened by a number of factors. First, saving patterns were disrupted because income was drastically reduced. Second, in order to survive financially, the majority of participants turned to either debt financing or the liquidation of assets. Increases in indebtedness may help overcome current financial difficulties; however, a larger portion of future income will be required to service repayment. If payments cannot be large enough to substantially reduce the principal, the period of indebtedness will be protracted.

As an alternative to saving reductions and debt financing, many participants used asset liquidation as a means of surviving unemployment. This alternative has detrimental economic consequences similar to those already described. The level of assets held determines the lifestyle options available and the level of financial stability attainable. If assets accumulated during previous work cycles are liquidated during periods of unemployment, income upon re-employment must be used for asset replacement rather than asset addition and progression to higher living standards and levels of financial security.

This cycle of loss and replacement may result in long-term economic stagnation that prevents the unemployed and their families from progressing to more comfortable and secure financial futures.

CHAPTER 9: UNEMPLOYMENT-INDUCED CHANGES

As noted in the Introduction, previous research on unemployment has tended to focus upon specific aspects of the experience such as economic hardship, stress, health, and, to some extent, alcohol use, as well as upon social relations and family life.

Although this type of research may facilitate academic and professional reflection on these specific areas, it does not provide a comprehensive picture of the changes to which those who have lost their jobs are exposed.

Such an overall perspective is important because even minor changes occurring in different areas may be felt as major change if they occur concurrently or within a relatively short time span.

The likelihood that unemployment will create a number of simultaneous changes across various areas of life would seem to be quite high. However, since previous research has tended to disregard the simultaneity of these effects, our current understanding of the magnitude or nature of the overall change following job loss is deductive rather than empirical.

Impact of Job Loss on Life Events

In order to gain a broader perspective about the overall change experienced by those losing their jobs, the Unemployment Survey examined the impact of job loss on 11 life event areas which were grouped into two general categories: alcohol and drug use and socio-economic variables. The alcohol and drug use category included the use of alcohol, illicit drugs, licit drugs, coffee, and tobacco. In the socio-economic category were financial status, housing, relationship with immediate family, time allocation, socialization, and health.

Life Events Included in the Alcohol and Drug Use Category

For alcohol, coffee, and tobacco use change was determined by calculating the difference between consumption levels before and during unemployment. Change in drug use, licit and illicit, was determined by comparing the size of the drug-using groups before and during unemployment.

Life Events Included in the Socio-Economic Category

The effects of unemployment on the six life event areas included in the socio-economic category were measured by the reported changes in these areas following job loss. Changes in each life event area were indicated by the occurrence of

one or more relevant events and/or activities referred to in Table 9-1 as "factors."

Ability to maintain at least some aspect of their pre-unemployment financial status was used to determine the impact of unemployment on participants' economic status, which was measured by two factors: change in indebtedness and change in ability to keep up monthly payments.

Similarly, the effect of unemployment on ability to maintain the pre-unemployment housing situation was indicated by two factors. These were unemployment-induced changes in accommodation and plans to change accommodation in the near future.

Family relationships, if applicable, were assessed by the reported change in relationships with spouse and children. Alteration in time allocation was measured through the reported change in the amount of time spent with children and on household chores.

Two different methods were used to assess changes in health status. Firstly, participants were asked to rate their current health status in comparison to the time they were employed. Secondly, they were asked to report health-related symptoms such as head and stomach aches, weight change, and

change in sleeping patterns and whether these were developed during unemployment.

Socialization was measured by four factors. These covered behavioral changes in social interaction patterns and in the frequency of interaction with extended family and friends.

TABLE 9-1

FACTORS MEASURING CHANGES IN THE 11 LIFE EVENT CATEGORIES

Life Event Area	Factors Measuring Life Event Areas
ALCOHOL-DRUG CATEGORIES	
Alcohol use	Change in the amount consumed prior to and following job loss.
Illicit drug use	Change in the size of drug-using group, prior to and following job loss (marijuana, cocaine, heroin, speed, LSD).
Licit drug use	Change in the size of drug-using group prior to and following job loss.
Coffee use	Change in the amount consumed prior to and following job loss.
Tobacco use	Change in the amount used prior to and following job loss.

SOCIO-ECONOMIC CATEGORY

Financial status	Change in debt since job loss. Current ability to keep up monthly payments.
Housing	Accommodation change since job loss. Planned accommodation change in the near future.
Family relationship	Change in relationship with wife since job loss. Change in relationship with children since job loss.
Time allocation	Time spent with children in comparison to when employed. Time spent on household chores in comparison to when employed.
Socialization	Change in social interaction. Frequency of contact with friends during unemployment in comparison to when employed. Frequency of contact with family now in comparison to when employed. Frequency of contact with in-laws in comparison to when employed.
Health	Current health in comparison to when working. Number of health problems developed since job loss such as: weight change, sleeping pattern change, head and stomach aches.

The Unemployment Change Index

Life event areas were rated as "changed" if at least one of the measuring factors was affected during unemployment. To measure the aggregate change which had taken place in the 11 life event areas following job loss, an Unemployment Change

Index (UCI) was developed. Since 11 life event areas were measured, the score ranges between 0 and 11.

Changes are reported under two main headings: magnitude of change and type of change. The "magnitude" section reports on the UCI frequency distribution, and the "type" section provides a quick overview on the prevalence of change in specific life event areas.

Magnitude of Change

Table 9-2 shows the frequency distribution of the UCI scores. Unemployment affected practically everybody in the sample to one degree or another. In some cases only one area was affected, but there were others in which nine of the 11 areas were involved.

Only 38% of the participants reported changes in three or fewer life event areas. For 43.5% of the participants, unemployment meant changes in four or five areas. Close to 19% experienced changes in six or more areas (Table 9-2).

TABLE 9-2

NUMBER OF CHANGES IN THE 11 LIFE EVENT AREAS DURING UNEMPLOYMENT

	Number of Changes	% in Category
	0	1.1
	1	3.2
Low	2	12.6
	3	21.1
	4	22.6
Medium	5	20.9
	6	11.6
	7	4.7
	8	2.1
High	9	.5
	10	0.0
	11	0.0
Total		100.0

Type of Change

Tables 9-3 and 9-4 show the reported prevalence of change in each of the 11 life event areas. Some areas were more sensitive to unemployment than others.

The area in which change occurred most frequently was socialization patterns. Over 90% reported alteration in their social interaction patterns during unemployment in comparison to their pre-unemployment behavior. Time allocation was the second most sensitive life event area. Changes in time

allocation were reported by 86% of the participants.

Change in financial status was reported by 74.1% of the respondents. Although this is the third most sensitive area, its relative position was a surprise. It seems that for some people, it is easier to maintain financial status than to maintain an intact social life during unemployment.

Health status was among the more unemployment-sensitive conditions. Over 62% of participants reported health problems as consequences of unemployment. Changes in the relationship with the immediate family were equally prevalent. Over 62% experienced changes in relationships with spouses and/or children.

TABLE 9-3

EFFECTS OF UNEMPLOYMENT ON LIFE EVENTS

Life Event Areas	% in Category
Socialization	98.3
Time allocation	86.8
Financial hardship	74.1
Relationship with immediate family	62.2
Health	62.0
Accommodation	53.7
Tobacco use	54.4
Illicit drug use	8.9
Alcohol use	49.6
Coffee use	39.9
Prescription drug use	11.6

Changes in the drug category were relatively infrequent. Tobacco and alcohol use patterns were the most affected (54.4% and 49.6% respectively). Close to 40% of the respondents reported changes in their coffee consumption patterns. Alteration was also reported in both licit and illicit drug use patterns (11.6% and 8.9% respectively).

TABLE 9-4

CHANGE IN LIFE EVENTS -
ALCOHOL AND DRUG CATEGORY

Life Event Category	% Reporting		Of Those Who Reported Change	
	No Change	Change	More Use	Less Use
Alcohol use	53.1	49.6	29.0	71.0
Prescription drug use	88.4	11.6	37.5	62.5
Illicit drug use	91.1	8.9	68.2	31.8
Coffee consumption	60.1	39.9	62.7	37.3
Tobacco use	45.6	54.4	70.5	29.5

Relationship Between the Unemployment Change Index and Other Variables

The extent to which unemployment affected the participants' lives varied tremendously. In order to find some explanation for this variability, the relationship between the participants' UCI score and their demographic characteristics was cross-tabulated. The outcome of the resulting chi-square tests are listed in Table 9-5.

As can be seen, none of the chi-square tests were statistically significant. This finding suggests that marital status, gender, occupation, and income at the last job are not in themselves determining factors in the magnitude of change created by unemployment. Nor were length of current unemployment and participants' beliefs about their chances of securing employment.

TABLE 9-5

RELATIONSHIP BETWEEN DEMOGRAPHIC CHARACTERISTICS AND UNEMPLOYMENT CHANGE INDEX

Demographic Characteristic	Chi-Square Value	DF	Significance
Occupation	17.2034	10	0.070
Gender	2.7403	2	0.254
Marital status	10.4988	8	0.231
Length of unemployment	14.2436	8	0.075
Perceived chance of employment	4.5570	8	0.803

The only demographic variable which influenced the level of change was age. Those over 40 were over-represented in the low UCI category (Table 9-6).

TABLE 9-6

RELATIONSHIP BETWEEN AGE AND UNEMPLOYMENT CHANGE INDEX

Age	UCI Score			
	Low	Medium	High	Total
16 - 30	12.3	43.7	21.2	23.5%
31 - 40	52.3	47.2	63.6	52.4%
40 +	35.4	9.1	15.2	24.1%
	38.2	42.4	19.4	100.0%

CHI-SQUARE = 14.1708 DF = 4 SIGNIFICANCE = 0.0066

Another area related to the UCI was stress. The participants' stress levels were greatly influenced by the number of life event changes experienced. Those participants experiencing greater numbers of changes tended to score significantly higher on the Spielberger Trait Anxiety Scale than did those experiencing fewer changes (Table 9-7).

TABLE 9-7

RELATIONSHIP BETWEEN ANXIETY AND THE UNEMPLOYMENT CHANGE INDEX SCORE

	UCI Score			
Stress Level	Low	Medium	High	Total
Low	55.6	37.8	19.4	41.1%
Medium	30.6	34.1	41.7	34.2%
High	13.9	28.0	38.9	24.7%
	37.9	28.0	18.9	100.0%

CHI-SQUARE = 15.5638 DF = 4 SIGNIFICANCE = 0.0037

As the presented data indicate, 19.4% of the participants scoring high on the UCI reported low anxiety levels and 38.9% reported high anxiety levels. These figures are in marked contrast to the 55.6% low and 13.9% high anxiety levels reported by participants scoring low on the UCI scale.

Summary

In this section the type and magnitude of changes induced by unemployment were considered in order to provide an overall picture of the situations faced by those who have lost their jobs. Clearly, in the majority of cases, these changes are many and far reaching, affecting the basic social and economic circumstances of life as well as threatening health and wellbeing in both mental and physical aspects.

In the following Conclusion we will now attempt to summarize our hypotheses about the interactive nature of unemployment-induced changes by means of postulating a theoretical model which relates them to one another.

CHAPTER 10: CONCLUSION

The results of this exploratory study suggest very strongly that the loss of one's job sets into motion a system of pernicious influences upon health and wellbeing, and that this system is a useful context within which to consider the impact of unemployment upon alcohol and other drug use. The direct impact of unemployment on financial status, although managed in different ways by different people, is a galvanic stressor the shock of which reverberates throughout the individual's life. Coupled with this shock is the sudden change in patterns of socialization, which often results in reduced social support. Together, these stressors are very likely to affect domestic relationships, often in a destructive manner.

The extent of the threat to health and wellbeing posed by unemployment is likely to be influenced by the personal resources which those who have lost their jobs can bring to bear upon their situations. One of the most important of these personal resources is mastery, or the sense of control that one has over one's life. This sense of control has been shown in several studies to be a critical mediator of the impact of external stressors upon personal health and wellbeing.

Within this vortex of influences an ominous trend can be observed in the use of alcohol, other drugs, and tobacco. Rather than reduce consumption levels, many choose to maintain their pre-unemployment patterns of use and some begin to use more. The significance of this phenomenon is that during unemployment alcohol, drugs, and tobacco assume for many people a higher preference rating relative to other essential goods such as food, shelter, and clothing. That is, a proportionately greater amount of disposable income is spent on alcohol and tobacco during unemployment by many who cannot afford to do so. Whether these substances continue to occupy this higher preference ranking after re-employment is currently unknown. Much depends, no doubt, upon the functions served by alcohol and tobacco for individuals. If alcohol is used as an anxiolytic drug, for example, then its usefulness is likely to survive re-employment, since it is known from other studies that high anxiety levels characteristic of unemployment tend to stay high for up to a year after the return to work.

Some groups are apparently more susceptible to the negative consequences of unemployment than others. Young men appear to be particularly vulnerable, and this phenomenon is more marked among those with fewer years of education.

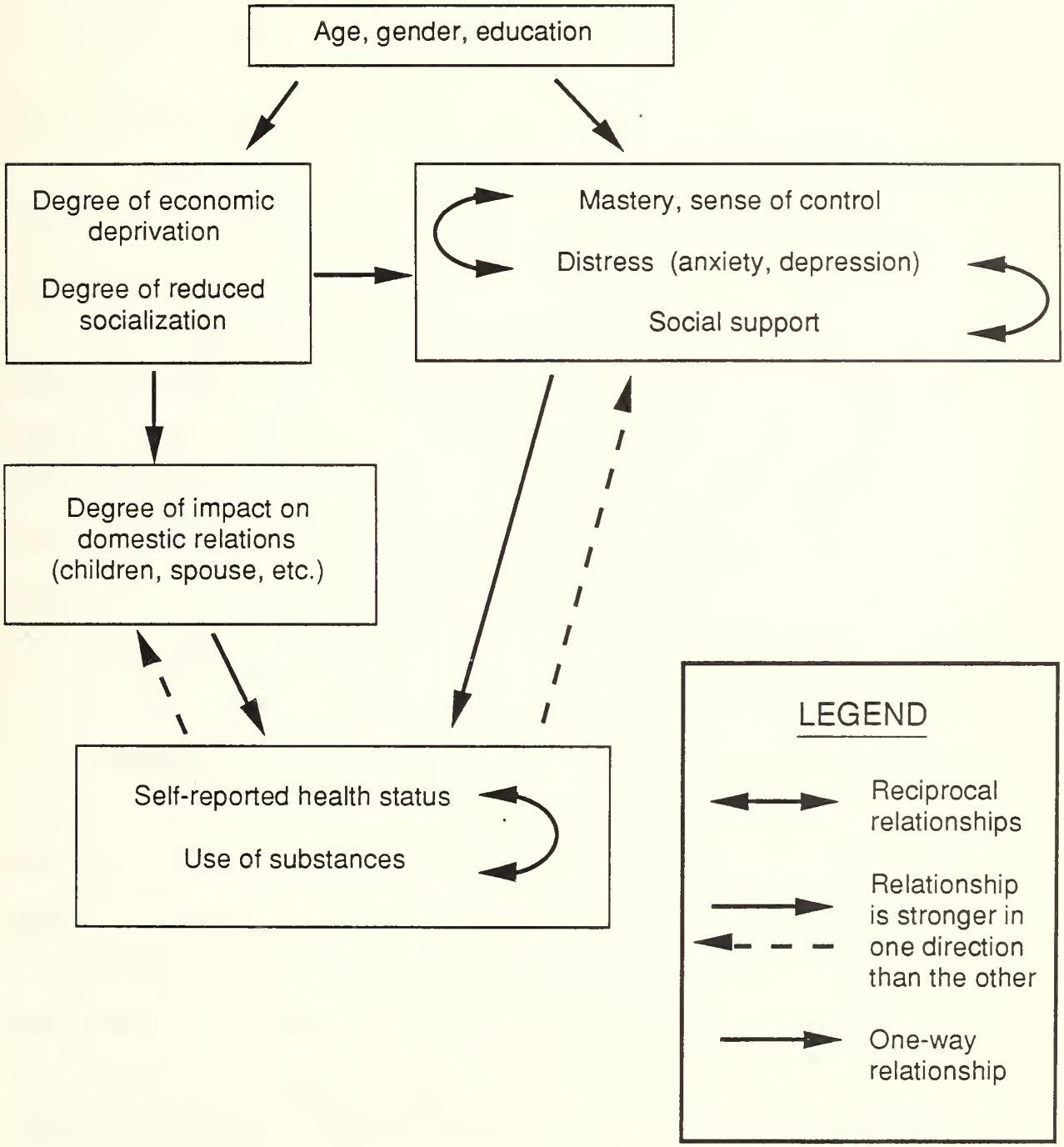
This said, there are clearly many aspects of the unemployment process and its effect on health, wellbeing, and

the use of substances that are not understood. Taken as a whole, unemployment appears to be an engine that produces all manner of social and economic pollution, but greater efforts need to be made to comprehend the mechanics of this process. As a beginning, we would propose the following paradigm as a framework within which to conceptualize at least some of the major classes of influence upon health, wellbeing, and use of substances during and after unemployment. This paradigm is a multivariate projection from our own bivariate analyses. Essentially, it is a collection of hypotheses organized around the central idea that unemployment acts as a set of stressors which are mediated by individuals through their personal resources and result in different health-related practices and conditions (Figure 10-1).

As postulated in Figure 10-1, the hypotheses are testable through the use of techniques such as Covariance Structure Modelling, which permit investigators to conduct quasi-causal analyses even on single-time data sets. The power of methods such as these lies in their ability to estimate the simultaneous influence of many variables upon one another and upon a dependent variable. Thus, it is possible to unravel both direct and indirect influences upon alcohol and drug use during unemployment. However, the utility of such causal modelling techniques depends, naturally, upon the robustness of the theoretical model being tested and upon the

Figure 10-1

Outline of a Hypothesized System of Influences upon Health, Wellbeing, and the Use of Substances During Unemployment



representativeness of the sample. It would seem eminently worthwhile to carry out research which could culminate in model testing of this kind, for a need clearly exists to identify the relative strength of the various influences upon alcohol and drug use discussed in this report.

Nonetheless, even with the level of data analysis which was possible in the present study, it is evident that a multifaceted approach to the issues of substance use during unemployment is called for. It is clear enough that no one set of influences is entirely independent of the others. In the result, it would appear essential that agencies which encounter the unemployed should be aware that these relationships exist and that it is necessary to consider the condition of the whole person if any one set of problems is to be solved. In the context of substance abuse, it is likely that by the time a problem has developed there will be a variety of related difficulties in other areas which may in fact be driving the need to use alcohol or drugs excessively. Thus, it makes sense for those agencies which encounter alcohol and drug problems among the unemployed to scrutinize the economic, social, and health-related needs of their clients with a view to determining what forces drive or maintain the misuse of the relevant substances. Only when the unemployed substance abuser is treated as a whole person is there a fair chance that treatment programs will succeed. But even when the

use of alcohol and drugs has not progressed to the point where professional help is necessary, it is important to consider the client's overall situation, since the circumstances which influence heavy use may also contribute, eventually, to dependence or addiction.

APPENDIX 1 RESEARCH METHODS

The Unemployment Survey was a self-reporting questionnaire-type study. It involved 205 unemployed men and women who attended a government-sponsored lifeskills course at two Help centres in Peel Region.

Method of Data Collection

Data were collected through a self-administered "Unemployment Questionnaire" introduced by a staff member at the beginning of the two-day seminar. Upon completion the unsigned questionnaires were placed in envelopes and deposited in a collecting box. The completed questionnaires were then transferred to the Addiction Research Foundation for analysis.

To ensure uniform questionnaire administration, the Help centres' staff were involved in a training session covering the administrative procedures.

Hypothesis

Since this was an exploratory study, we saw the development of specific hypotheses as an outcome of rather than as a structure for the research. However, in general we expected to see interactions between social, economic,

psychological, and physical levels of functioning, and to see all of these influenced by demographic and "class" factors. Within this framework, we anticipated that alcohol and drug use would not remain stable during unemployment, but would respond to the stresses and strains associated with the economic and social impacts of job loss. Specifics of these expectations are discussed within.

Development of the Unemployment Questionnaire

The Unemployment Questionnaire was developed for this survey, since a sufficiently comprehensive instrument was not available.

The new questionnaire was tested in a trial project conducted in cooperation with the Peel Social Planning Council and the UAW. Fifty unemployed members of one local were involved. The outcome of the trial indicated that the unemployed group were willing to participate (the refusal rate was less than 10%) and also that the questionnaire was well filled out in most respects. Unfortunately, during the main survey the incompletion rate for certain parts of the questionnaire rose to a point at which two of the alcohol-related scales had to be dropped from analysis. However, actual consumption data proved to be of sufficient value for the main objectives of the study to be attained.

The Unemployment Questionnaire consisted of two sections.

The 84 questions included in Section 1 covered 10 major areas. These were: (a) demographic data, (b) job history, (c) job search, (d) education, (e) housing, (f) finance, (g) family, (h) time use, (i) social life, (j) health, alcohol and drug use.

Section 2 contained the following five scales:

a) Alcohol Problem Symptom Scale (APSC) (Smart 1979)

The APSC is a measure of alcohol-related problems which counts the number of alcohol abuse symptoms the individual experienced within a given time period.

b) Michigan Alcoholism Screening Test (MAST) (Skinner 1979)

The MAST is a short, highly reliable, and frequently used scale for the measurement of alcohol dependence.

Neither the Smart nor the Skinner scales were completed with sufficient regularity that they could be included in the analyses which follow. As noted above, we rely upon consumption data for our observations concerning the use of alcohol.

c) Pearlin Mastery Scale (Pearlin and Schooler, 1978)

This scale, which has been used in several studies on depression, anxiety, alienation, and drinking, measures perceived control over the circumstances of one's life.

d) Economic Deprivation Scale (Pearlin and Radabaugh 1976)

This short questionnaire has been used in research which showed a high correlation between economic deprivation and alcohol consumption.

e) Spielberger Trait Anxiety Inventory (Spielberger, Gorsuch, and Lushene 1970)

This inventory is one of the most widely used devices for the measurement of Trait Anxiety.

The inclusion of the Mastery, Economic Deprivation, and Anxiety measures was based on our reading of previous research which suggested that we might expect to see relationships between unemployment-induced effects in these areas. Particularly, we anticipated that the stress of job loss would tend to exacerbate anxiety and defeat one's sense of mastery or control. The degree of stress could be assessed, for these purposes, by inquiring about the extent to which respondents saw themselves as being economically deprived. Again, from the literature, we anticipated that the cumulative effect of increased anxiety and depressed control upon health and

wellbeing would be negative. Within this context, we expected to see alcohol and other drugs being used more frequently during unemployment in order to cope with stress and to modify the sense of low control and high anxiety.

Limitations

Notwithstanding the high participation rate the sample was relatively small for purposes of multivariate analyses, particularly when the condition is imposed that in such analyses every case entered should have values recorded for every question. Incompleteness rates in certain parts of the questionnaire reduced the usable sample in this regard to a point where, given the number of variables perceived to be interactive, we decided to restrict the analysis to bivariate forms. However, as noted in the Introduction, we have concluded the report with a model of hypothesized multivariate interactions.

APPENDIX 2 RESPONDENTS' CHARACTERISTICS

Demographic Characteristics

The Unemployment Survey participants represented a broad cross-section of the Canadian working population. Their ages ranged from 16 to 63. A majority (60%) of them were under 40 years of age (Table 1). Female participants represented 36.8% of the sample (Table 2). Over 40% of the participants lived with a spouse, whereas the others were either single,* divorced, separated, or widowed (Table 3). Family size varied, but the majority (73%) of participants reported at least one child (Table 4).

The most common occupations represented among participants were in the skilled (29.5%) and unskilled (21.6%) categories. However, the professional and managerial group taken as a whole constituted 17.9% of the sample and clericals accounted for another 12.6% (Table 5). Respondents were relatively well educated. Only 8.9% had less than Grade 6 education (Table 6). Close to 22% had attended college and 12.1% had a university degree (Table 7).

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* We believe that in this population there was a tendency for the "single" category to be used by previously married people and by some who had live-in relationships. Children were often reported by both men and women in the "single" category.

TABLE 1

AGE

Age	% in Category
6 to 30	36.3
31 to 40	23.7
40 +	29.5
Missing	10.5
Total	100.0

TABLE 2

GENDER

Gender	% in Category
Male	60.0
Female	36.8
Missing	3.2
Total	100.0

TABLE 3

MARITAL STATUS

Marital Status	% in Category
Single	32.6
Married	34.3
Common law	5.8
Divorced/ separated	20.0
Widowed	2.6
Missing	4.7
Total	100.0

TABLE 4

NUMBER OF CHILDREN

Number of Children	% in Category
0	26.3
1	21.3
2	19.5
3	12.6
4	5.3
5	3.2
6	1.1
Missing	11.1
Total	100.0

TABLE 5

OCCUPATION

Occupation	% in Category
Unskilled	21.6
Skilled	29.5
Supervisor	4.2
Clerical	12.6
Professional	11.6
Managerial	6.3
Missing	14.2
Total	100.0

TABLE 6

EDUCATION

Grade Completed	% in Category
1 to 6	8.9
7 to 8	7.9
9 to 13	83.2
Total	100.0

TABLE 7

POST-SECONDARY EDUCATION

Degree	% in Category
None	65.8
College	22.1
B.A.	9.5
M.A.	2.1
Ph.D.	.5
Total	100.0

Job History

A majority of the sample had entered the labor force between the ages of 16 and 23. However, some, probably owing to extended schooling or family obligations, had started to work in their late twenties or even later. Reported job histories, covering the previous 10-year period, further displayed the diversity of the group. Both the number of jobs held during this period and the seniority attained in the last

reported job varied. The sample included long-term one-company employees as well as job transients (Tables 8 and 9). In the majority of cases unemployment was employer-created through layoffs and plant shutdowns. Others had quit their jobs in order to pursue a specific objective such as looking after their family or to seek better job opportunities in Ontario (Table 10).

The length of unemployment extended from 1 to 404 weeks, the majority being out of work for less than two years (Table 11). Practically all of the participants were looking for a new job, and one out of every three attended an upgrading or a retraining course in order to improve their employability (Table 12). Nearly half of the participants were optimistic about their chances of finding employment (Table 13).

TABLE 8

DURATION OF PREVIOUS JOB

Number of Years in Previous job	% in Category
Less than 1	54.7
1 to 5	30.0
6 to 10	6.3
11 to 20	6.8
21 to 40	2.2
Total	100.0

TABLE 9

NUMBER OF JOBS HELD 1975-1984

Number of Jobs 1975-1984	% in Category
Less than 3	51.1
4 to 6	23.2
7 to 10	11.1
More than 11	14.6
Total	100.0

TABLE 10

REASON FOR UNEMPLOYMENT

Reason for Unemployment	% in Category
Being fired	5.3
Resignation	8.9
Layoff	41.6
Plant shutdown	7.9
Family obligations	2.6
Others	27.9
Missing	5.8
Total	100.0

TABLE 11

NUMBER OF WEEKS
UNEMPLOYED AT TIME OF SURVEY

Weeks Unemployed	% in Category
1 to 12	31.6
13 to 27	13.2
28 to 52	10.0
53 to 104	17.4
105 and over	27.9
Total	100.0

TABLE 12

INVOLVEMENT IN EDUCATION, RETRAINING, OR UPGRADING PROGRAM

Involvement	% in Category
At least one program	38.2
No program	56.5
Missing	5.3
Total	100.0

TABLE 13

PERCEPTION OF CHANCES OF GETTING A JOB

Rating	% in Category
Excellent	13.2
Good	35.8
Not good	9.5
Poor	5.3
Don't know	32.1
Missing	4.1
Total	100.0

Scale Measures

Of the five scales included in the study the response rate on three was sufficiently high for analysis. These were Pearlin's Economic Deprivation and Mastery scales and Spielberger's Trait Anxiety scale.

Economic Deprivation Scale

Pearlin's Economic Deprivation Scale was used to measure the level of economic deprivation which participants were experiencing at the time of the survey. The scale consists of three items which measure the day-to-day accessibility of food, shelter, and clothing. Respondents rate the availability of these items on a four-item scale which yields scores ranging between 3 and 12: 3 indicates a very low level of economic deprivation and 12 indicates a very high level. Participants were grouped into low, medium, or high economic deprivation categories on the basis of these scores as shown in Table 14.

TABLE 14

ECONOMIC DEPRIVATION SCALE SCORES

Category	Score	% in Category
Low	3 - 4	25.2
Medium	5 - 8	59.6
High	9 - 12	15.2
Total		100.0

Evidently over 15% of the participants found it difficult to provide the most basic essentials of existence such as food, shelter, and clothing for themselves and/or for their families. The majority reported moderate economic hardship and

approximately 25% reported little or no economic hardship in these terms.

Pearlin Mastery Scale

This scale measures perceived control over the circumstances of one's own life. The scale consists of seven statements with a four-item response range, producing scores between 7 and 28.

Participants were classified into one of three mastery categories as shown in Table 15.

TABLE 15

MASTERY SCALE SCORES

Category	Score	% in Category
Low	7 - 12	12.0
Medium	13 - 18	49.7
High	19 - 24	38.3
Total		100.0

The majority of participants fell into the "medium" category, the highest point of which (a score of 18) is substantially lower than the mean score of participants in a stress management course evaluated by the second author. This

suggests that a significant proportion of the sample were experiencing even worse mental health than those who present themselves for assistance for extreme stress, since mastery has been shown to be a strong correlate of general distress.

Spielberger Trait Anxiety Inventory

The Spielberger Trait Anxiety Inventory measures the general tendency to react to threatening situations in an anxious manner. This self-administered scale has 20 short statements, each with a four-item response range. The possible scores fall between 20 and 80. High scores obtained on this scale indicate high anxiety levels (Table 16).

TABLE 16

TRAIT ANXIETY SCALE SCORES

Category	Score	% in Category
Low	20 - 40	33.1
Medium	41 - 50	37.8
High	51 - 80	29.1
Total		100.0

Two-thirds of the sample were found to experience anxiety at medium and high levels. Scores at and above 41 (the bottom of the medium range in this sample) have been found to characterize people at the beginning of stress management courses. And scores above 50, according to the norms

established for this test, place respondents squarely within the "clinical" range in that they are characteristic of neuropsychiatric patients in active treatment. Thus, less than a third of our sample fall within the "normal" range established by the test originators. This finding attests further to the impoverished mental health experienced by the unemployed in this study.

Summary

Participants represented a broad cross-section of the Canadian working population. The sample included participants from various age and occupational categories, with various levels of education and family responsibilities. Reported job histories reflected the experience of both job transients and those who had long-established seniority with their previous employer. Almost half were confident about re-employment.

Scores on the Economic Deprivation Scale indicated moderate to severe economic distress with regard to basics such as food, clothing, and shelter among many participants. Scores on the Mastery Scale indicated the relatively low confidence which a majority had in their ability to control their own lives. This lack of confidence was reflected in high scores on the Anxiety scale. Together, the results portray a group of people who as a whole were in a state of poor mental health.

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